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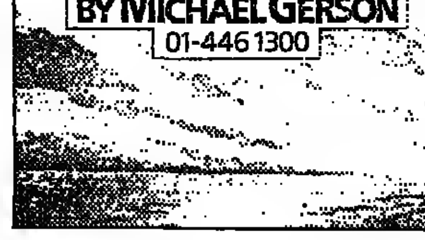

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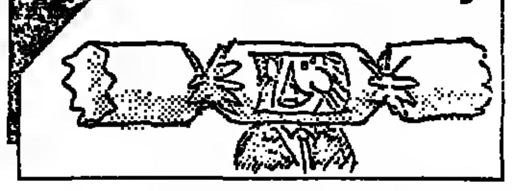


WORLD NEWS

Reagan raps Iran over hijacking

President Reagan yesterday criticised Iran over the hijacking of a Kuwaiti airliner to Tehran, where two American passengers have apparently been killed.

Acknowledging that he bad no evidence of Iranian collaboration, be said the Iranians "had not been as helpful as they could be." Iran denied the charge.

Witnesses said five hostages had been killed, thongh the hijackers claimed only four. The U.S. State Department believes two were staff of the U.S. Agency for International Development. Feature, Page 3

Retirements surge

Many older public and private sector employees are rushing to retire as speculation grows that lump-sum retirement benefits may be taxed in the next Budget. Back Page

Tutu meets Reagan

President Reagan met Nobel Peace Prize laureate Bisbop Desmond Tutu and said later he would consider new ideas for pressing for an end to apartheid in South Africa.

New Caledonia uneasy

An uneasy calm bas followed the killing of 10 members of the independence movement in the Frnch Pacific island of New Caledonia. Page 2

Ten corruption arrests

Scotland Yard's fraud squad bas now arrested 10 people for corruption involving the Property Services Agency. Page 4

EEC challenge fails

A cballenge to government procedural plans to authorise payment of £120m to the EEC budget failed in the High Court. Page 4

Volvo investigation ends

The Transport Department ended an investigation into mysterious incidents involving Volvp 300 cars, saying no defects were found. Page 3

Reprimand for captain

Commander Colin Hamilton, captain of the frigate Jnpiter, which collided with London Bridge in June, received a severe reprimand at his court martial.

Belgian killer sentenced

Bar owner Albert Neuckermans was jailed for three years for killing a Tottenham Hotspurs supporter in Brussels. He could be freed in May.

Irish shopping bonus

Thousanda of Irish shoppers crossed into Northern Ireland to take advantage of lower prices while Irish border customers officers beld a 24-bour strike.

Actor jailed over drugs

American film and television actor Stacy Keach was jailed for nine months in Reading after admitting smugglipg 34 grams of cocaine into Britain.

Financial Times

Action by members of the National Graphical Association and of Sogat in the reading room of the FT may have led to typographical errors in this issue. We apologise to readers.

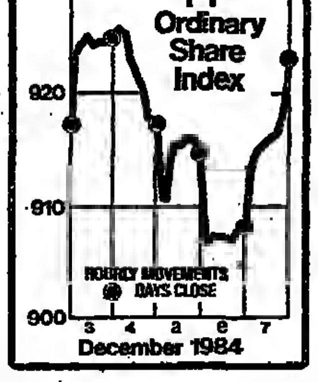
BUSINESS SUMMARY

Citibank may become UK clearer

CITIBANK of the U.S. is likely to become the first foreign bank to be admitted to the UK bank clearing system under proposals for an overhaul of the system and a widening of its membership. Standard Chartered of the UK also wants to join.

The proposals, the results of a 10-month inquiry, will be presented on Tuesday. Back Page

FT ORDINARY Share Index rose 14.6 to 923.0 as institutional investors channelled funds towards consumer-orientated



stocks in response to the prospect of tax cuts and cheaper mortgages. Recent good profit statements also belped other leading shares. Page 26

GOLD fell to its lowest closing level for 2½ years in the London bullion market, dropping $3 an ounce to $327½ in response to a weaker silver price and a firmer dollar. Page 25

CULLEN'S: The three-way battle for the loss-making stores group ended in victory for three former Imperial Group managers who offered £8.6m. Page 22

EMS: Bundesbank President Karl Otto Pohl attacked "unrealistic visions" of developing the European Monetary System. Back Page; Page 2

COMMERCIAL vehicle prodnction in Britain is beading for its worst year since 1949 as exports fall and importers take more of the UK market. Page 3

DEBENHAMS' 68 stores will open on Sunday December 16 in defiance of Sunday trading laws and pickets from the shopworkers' union.

ROBERT MAXWELL said he was the publisher, not the owner, of the Daily Mirror as be did not control Pergamon Holding Foundation of Liechtenstein, which ultimately owns Mirror Group Newspapers. Back Page

SPAIN: Banco Hispano Americano ahares fell sharply after it passed its dividend in order to shore up an ailing industrial banking subsidiary. Page 23

WEST GERMANY: Plans to marge the steel making operations of two leading producers, Fried. Krupp and Klockner-Werke are in tronble. The Government is said to bave turned down requests for special aid of DM 500m (£163m). Page 23

SHAW CARPETS' pre-tax profits fell to £33,000 from £722,000 in the half-year to October 26 after industrial action cost it at least £3m in lost sales. Page 22

THERMAL Scientific is to make two major acquisitions, Centorr, a U.S electric furnace maker and Betol Group, a plastics machinery company. Page 22

Miners' union makes two-year pay claim

BY RAYMOND HUGHES AND JOHN LLOYD

THE National Union of Mineworkers has sent a two-year wage claim to the National Coal Board. This emerged yesterday as the union failed to regain control of its £8.9m assets when the High Court rejected its plea that the replacement of the union's trustees by a Receiver should not be continued.

The pay claim, coming in the ninth month of the strike, appears designed to demonstrate to striking and working miners, that the NUM intends to carry out its ordinary role of representing its members.

Mr Peter Heathfield, the NUM's general secretary, last night declined to give details of the claim—though it is understood to be for a substantial amount. The NUM claimed a "substantial" rise in November 1983 and has refused to accept a "final" 5.2 per cent offer outstanding for over a year.

Mr Heathfield said that be was hopeful of a reaction from the NCB to the claim which bad beeo formulated over the past three months. The annual settlement date is November 1 and the claim covers 1983-84 and 1984-85.

About 37 miners returned to work for the first time yesterday, bringing the weekly total to 67. The NCB claims that 68,000 miners are no longer oo strike—36 per cent of the total —and that coal is being produced at 64 of the 174 pits. Board officials concede, bowever, that he "drift back" has flattened and is likely to remain low at least until Christmas.

Mr Peter Walker, the Energy Secretary, again warned yesterday that mining jobs would be at risk if pits were destroyed through neglect during the strike. The guarantee of no compulsory redundancies stood, he said, except where "economic pits which would have had good futures are destroyed by decay."

Mr Neil Kinnock, the Labour leader, was given a standing ovation when he addressed miners at Oakdale colliery in his Islwyn constituency yesterday. Again he poured cold water on calls by leading Labour left-wingers for a general strike.

In the High Court, the union's plea that last Friday's order removing from office its three trustees—Mr Arthur Scargill, Mr Mick McGahey and Mr Heathfield—and replacing them by a receiver should not be continued, was rejected.

Mr Justice Mervyn Davies appointed Mr Michael Arnold, a senior partner with Arthur

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Further developments, Page 4

NCB industrial relations head resigns

BY JOHN LLOYD, INDUSTRIAL EDITOR

MEMBERS OF the National Coal Board yesterday accepted the resignation of Mr Ned Smith, its Director of Industrial Relations. He bad participated in all the more than 130 hours of talks between the board and the National Union of Mineworkers over the past nine months.

Mr Smith's resignation becomes effective next month. It is not expected that he will take part in any further talks.

The sesignation is of his own choosing but comes at the end of months of conflict within the board between Mr Smith and otber senior officials on the one hand, and Mr Ian MacGregor, the board chairman, with Mr James Cowan, the depnty chairman, on the other.

At one stage, in October, Mr Smith bad actually resigned, to be persnaded back by Mr Peter Walker, the Energy Secretary, to belp negotiate a settlement in the pit deupties' dispute.

Mr Smith, born and bred in the mining industry and a former underground worker, had been distrubed, like many of his senior colleagues, been disturbed by the sweeping cbanges in board structure, the harder line in industrial relations and the separation of the cbief executive's office from other executives. These were all innovations of Mr MacGregor.

He in turn was seen by Mr MacGregor and his advisers as willing to make far too many compromises with the NUM, and as being too willing to believe that a settlement could be achived with its present leadershio.

His resignation comes wben the board has ended all prospect of talks unless the union gives a clear sign it will accept closure of uneconomic pits.

Report calls for Stansted expansion

By Michael Donne and Peter Riddell

DEVELOPMENT of Stansted, Essex, as London's third airport is expected to be recommended in a report due out on Monday after a two-and-a-half year public inquiry.

This expectation has given rise to serious concern by the Government, which fears that proposals for the development may be defeated in aPrliament, in view of strong and widespread opposilion evident in both Houses.

Nearly 100 Tory MPs have already aigned a motion opposing establishment of a third airport at Stansted, which is at present use dby about 500,000 passengers a year, mainly for charter flights.

The report, now being printed, has been written by Mr Graham Eyre, QC, the inspector who conducted the liquiry and is expected to favour developing Stansted instead of building a fifth passenger terminal at Heathrow.

Stanstead, situated in a Tory stronghold, bas current maximum capacity cf 1m pasengers annually. Development would be likely to involve initially increasing capacity to 15m passengers a year, but with the option to go on to 50m.

If the report were to come out in favour of the fifth terminal at Heathrow, it would antagonise a substantial number of environmental groups in the area, represeoting several million people, far more, in fact, than surround Stansted.

Either way the Government is likely to offend local authorities aod others in the Midlands and the North, who want more financial and other resources channelled into developing their airports, rather than those in the South-East.

The civil aviation industry in the UK is also divided on the issue.

The Government originally

Continued on Back Page

BT shares return to large premiums

BY RAY MAUGHAN AND CLIVE WOLMAN

BRITISH TELECOM recovered its stock market poise yesterday afternoon and legions of small shareholders saw the share price recover much of the large premium established at the beginning of the week.

By the close shares were trading at 92½p to give successful applicants a 42½p per share premium on their partly-paid applications. The shares hit their lowest close yet at 88p on Thursday.

Dealers were uncertain how many of the 1m small shareholders wbo each received up to 400 shares have retained their BT holdings. Two-thirds bad applied for the loyalty share bonus which would lock them in for far longer than this first eventful week of trading.

Market professionals believe that a sizeable proportion of new members of the shareholding democracy have already found the premium too tempting to resist—not that any small inveslors in Telecom will know for certain how many shares they have received, if any, until allotment letters drop through about 1m letter boxes on Tuesday.

Thera was some debate on bow multiple applications will bave fared against the weeding-out process instigated by Kleinwort Benson, the merchant bank handling the £3.9bn issue.

The more knowing investors bad checked with their banks on Thursday to find out whether their cheques had been cleared; the share price drop toward the latter half of the week may have had something to do with the departure of satisfied, small—time stags.

Overseas investors, alloted in total 14 per cent of the issue, are understood to bave sold quickly oo the initial premium. But there were signs that U.S. professlonals, which made up tha bulk of the overseas allocation, were back in tha market later for Telecom shares.

No single London broker has an overall knowledge of the way the international investmen flows are swinging but U.S. investors are thought to have been selliog Telecom "sbort" on the expectation that they could buy shares to cover their deals when Britisb selling began after notification of allocation was received. The need of U.S. investors to purchase the shares may have boosted the price yesterday.

Many institutions in London are echoing that view, given the hsare's importance in the FT Ordinary and FT-Actuaries All-share Indices, although one of the biggest buyers at the outset appears to have been General Electric Company, the cash-rich electrical and engineering giant, which is thought to have paid over top published prices to take a big holding.

With the prospect of fat dealing profits on offer, the market's dealers have broken ranks in the search for trading volume.

The original "gentleman's agreement" that jobbers (wholesalers of sbares to brokers acting as agents for clients) would keep the difference between bid and offer prices at a minimum of 2p quickly collapsed. By Thursday, some jobbers were offerng a spread of as little as ½p, and a patched-up compact yesterday morning to stick with 1p looked at best temporary.

Private investors waiting for their allotmeot letters from Kleinwort Benson may be encouraged by the fact that the major funds were lifting tbeir buying limits—tha prices above whicb they would not buy—from about 88p at the end of last week to tha low 90s. The hope was that these revised limits might keep the price stable until the Post Office has done its work.

Septeacular start, Page 6

Union Carbide chief faces expulsion from India

BY JOHN ELIOTT IN BHOPAL AND K. K. SHARMA IN NEW DELHI

MR WARREN ANDERSON, chairman and chief executive of Uninn Carbide of the U.S., faces expulsion from India after his arrest yesterday on charges of "criminal and corporate liability" for the pesticide gas leak at the Bhopal plant of the company's Indian subsidiary, which has killed nearly 2,000 people.

Mr Anderson, aged 63, was released and flown to New Delhi after his totally unexpected detention for several hours in Union Carbide's elegant guest bouse overlooking Bhopal.

His arrest appears to have been solely on the initiative of the Madhya Pradesh state government and reflected the growing popular aoger at a tragedy which has stunned India and mucb of the industrial world.

Mr Anderson's arrest on arrival at Bhopal airport aboard an *Indian Airlines flight from* Bombay caused some embarrassment to central government authorities in New Delhi. They reacted swiftly to secure his release after a sbarp protest by the U.S. embassy.

Two others of the company's executives detained with Mr Anderson, Mr Keshub Mahindra, chairman of Union Carbide's Indian subsidiary, and Mr V. P. Gokhale, its managing director, were still under house arrest in Bhopal last night.

Mr Sudep Banerjee, information director of the Madhya Pradesh Government, said last night: "Our understanding is that Mr Anderson will be asked to leave the country at the earliest. His presence is likely to provoke strong reaction and we do not consider it desirable."

Mr Anderson had been released on R25,000 (£2,000) bail, although the charges against him were still outstanding, Mr Banerjee said.

Estimates of the penalties attached to the charges varied. Some Indian lawyers talked of a maximum prison term of six years, others fo 14 years. *All* agreed that the charges were the most severe ever brought against a representative of a foreign company in India.

In spite of the strong statement, iodications that the Madhya Pradesh Government was under strong pressure from New Delhi not to take the arrests to their conclusion were evident from the fact that the police did not produce Mr Anderson before a magistrate.

The police did not go to a magistrate to seek the remand of Mr Anderson and the two others in custody, but their application was rejected on the ground that the accused had not been produced in court. That clears the way for their release and suggests that the Madhya Pradesh Government has been under pressure not to press the charges.

Mr Anderson arrived in Bombay two days ago and Union Carbide officials indicated that he had been given safe passage by the Indian embassy in Washington and been told that a visit to the site of the disaster would have a favourable effect on the Indian people.

The Madhya Pradesh Govern

Continued on Back Page
Man in the News, Back Page

Doctors bitter over lack of help

AROUND THE shanty town of mud and wooden hnts on the edge of the Bhopal pesticide plant famllies yesterday turned over the asbes of their cremated relations below trees and bnshes scorched yellow by the gas, writes John Elliott.

Some bodies were still being cremated. One field was covered with mounds of earth, marking tbe graves of Hindu children aged under 10 years. They, unlike their elders wbo are cremated, are buried.

A few cows and goats ate contaminated grass and vegetables in plots aronnd the area, providing graphic backing for doctors' fears of an epidemic. Doctors struggling to contain the effects were bitter about what they considered a lack of belp from Union Carbide.

Professor Haresh Chandra, a leading pathologist working for tbe Home Office at Bhopal's main Hamida Hospital, said: "Why basn't Union Carbide come forward and said 'this is the gas that leaked, this is the treatment that is needed, this is the procedure?'

"Is it not a moral dnty to tell ns what was used, what is the treatment, what is the prevention? They bave not come forward.

"Somebody has to tell ns. People out there are oat prepared to eat and drink. A company should put it in the newspapers, a big advertisement, en what can be the after effects."

Doctors are worried about one child wbo died suddenly two hours after showing no previous ill-effects. They *reported that patients were* coming into bospitals and reporting to roadside clinics after three or four days of having no problems, indicating possible continuing after-effects.

Doctors say they are seriously short of real knowledge about what is happening. One roadside temporary clinic has dealt with 1,200 people in the past two days, at least 120 of whom had comolained of new symptoms.

"There is no proper antidate for methyl isocynate. We can only treat the symptoms," said a young doctor.

He was standing in an intensive-care unit where children from a few weeks' old lay half-naked, a foot or two from each other, being fed intravenously and treated for breathing and other problems.

Convulsions experienced by some children bave led doctors to fear serious brain damage. Some cases of viral pneumonia are expected to break out in the next 15 days because people have been weakened by their illnesses.

Crash courses of antibiotics are being prescribed said *Dr Narenda Bhandaria* medical superintendent at the Hamida Hospital where about 400 doctors are working round the clock in wards and in street clinics.

The risk of cases of permanent blindess caused by conjunctivitis have not been ruled out. Doctors are considering cornea transplants.

The big fear, however, is that the effects of the fatal gas may hit more in the next two to three weeks. After that docters believe there should be no new long-term effects.

MARKETS

DOLLAR	STERLING
New York lunchtime	New York lunchtime $1.201
DM 3.093	London: $1.203 (1.206)
FFr 9.4612	DM 3.71 (3.69)
SwFr 2.5495	FFr 11,385 (11.30)
Y247.55	SwFr 3.06 (3.045)
London:	Y297.5 (same)
DM 3.0650 (3.0625)	Sterling Index 74.7 (same)

FFr 9.4425 (9.3825)	**LONDON MONEY**
SwFr 2.5425 (2.5245)	3-month interbank:
Y247.35 (246.55)	mid rate 9 11/16% (same)
Dollar Index 142.7 (142.5)	3-month eligible bills:
Tokyo close Y246.7	buying rate 9¼% (same)
U.S. LUNCHTIME RATES	**STOCK INDICES**
Fed Funds 8 5/16% (8½)	FT Ord 923.0 (+14.6)
3-month Treasury Bills:	FT-A All Share 569.86 (+0.9)
8.35% (8.46)	FT-SE 100 1190.1 (+14.3)
Long Bond: 100 13/32 (101 5/32)	FT-A long gilt yield index:
yield: 11.59 (11.61)	High coupon 10.09 (10.05)
GOLD	New York lunchtime:
New York: Comex Dec latest	DJ Ind Av 1171.38 (+0.89)
$326.0 ($330.5)	Tokyo:
London: $327½ ($330½)	Nikkei Dow 11,466.93 (—92.91)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 8.00; W. Germany DM 2.20; Italy L1,200; Netherlands Fl 2.50; Norway Kr 8.00; Portugal Esc 75; Spain Pta 100; Sweden Kr 6.50; Switzerland Fr 2.00; Ireland 60p; Malta 30c.

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Reagan defends across the board spending cuts

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday issued a ringing defence of his strategy for tackling the federal budget deficit amid signs of mounting opposition to the draconian cuts he is proposing for scores of federal spending programmes.

At a specially convened press conference Mr Reagan said that on November 6 the voters rejected tax increases and wasteful government spending and he made it clear that he believes he has a mandate from the people for the actions he is planning to take.

But he stressed too that the $34bn (£28.3bn) of budget cuts for fiscal year 1986 which he has tentatively approved will be spread fairly across government spending departments and hinted strongly that when Caspar Weinberger, the Defence Secretary, returns to Washington next week he too will have to concede reductions in the rate of growth of defence spending.

He said that only social security and interest on the (national) debt cannot be changed. "Everything else we freeze," he added.

Questioned about suggestions from Senator Barry Goldwater, Conservative Republican who will be head of the Senate armed services committee, that the MX missile should be scrapped, Mr Reagan strongly defended the MX programme as the first modernised nuclear weapons programme.

He also gave his strongest, albeit carefully hedged, endorsement of the root and branch reform of the federal tax system which the U.S. Treasury has released in the past two weeks. "I basically believe this is the finest (tax reform) programme ever offered," Mr Reagan said. But he made it clear that further discussions would be needed before a firm proposal could be put forward by the Administration.

He also stressed his continued outright opposition to raising taxes in order to tackle the $210bn federal budget deficit.

Mr Reagan's remarks, which stressed the need for continued economic growth in order to reduce the budget deficit, followed the release of unemployment figures for November which were promptly interpreted in the financial markets as indicating that the economy may not be veering towards recession. Civilian unemployment fell from 7.4 per cent to 7.2 per cent last month and, just as importantly, the number of workers with jobs rose a healthy 300,000.

● President Reagan and Bishop Desmond Tutu, the South African Nobel Peace Prize winner, yesterday continued to disagree on the best way of confronting apartheid, despite what both agreed was a "good meeting" at the White House.

After the meeting, Bishop Tutu said he still believed that Mr Reagan's policy of "constructive engagement" towards South Africa had worsened the plight of the country's blacks. Mr Reagan said some of Bishop Tutu's suggestions for further action would be studied by the state department. But he strongly defended U.S. investment in South Africa, saying that American companies had brought considerable benefits to black workers.

Argentine inflation rate falls for second month

BY JIMMY BURNS IN BUENOS AIRES

EVIDENCE that the Argentine Government has started to win its battle against inflation emerged yesterday with the publication of figures showing a further slowdown in the rate of price rises for the second consecutive month.

Consumer prices in November rose by 15 per cent after increases of 19.2 per cent and 27.5 per cent in October and September.

The November figure is the smallest monthly increase since last January and well in line with the target set by the Government under the terms of its economic programme agreed with the International Monetary Fund.

The agreement has as a fundamental aim the reduction of the inflation rate from 650 per cent to no more than 300 per cent in the year to next September.

Argentine government officials hope that the latest inflation figures will help dispel the scepticism of some commercial banks about the country's ability to successfully implement an IMF programme.

Dumas appointed foreign minister

By David Housego in Paris

M Roland Dumas, who has been France's Minister for European Affairs, was yesterday named as Foreign Minister in the first Cabinet reshuffle since M Laurent Fabius took over as Prime Minister in July.

The reshuffle was prompted by the departure of M Claude Cheysson, the former foreign minister, who was confirmed on Tuesday as France's second Commissioner to the EEC in Brussels.

The changes indicate no shift in government policy. But two of note were the nomination of M Georgina Dufoix, the Minister of Social Affairs, to take over, in addition, the difficult post of government spokesman and the appointment of M Gilbert Trigano, the president of Club Mediterranee, to a non-ministerial post with special responsibilities for training and employment.

M Dumas had been expected to take over as foreign minister with the change of government in July. He is a close friend of President Francois Mitterrand and earned his spurs as a minister earlier year when he skilfully handled France's presidency of the EEC Council of Ministers. Since the summer he has also held the post of Government spokesman.

In naming Mme Dufoix to this job, the Prime Minister's goal is to capitalise on her charm and popularity as a minister.

She has won a name for herself through the warmth and humanity with which she has treated emmigration and family issues. Her weakness as a government spokesman will be that "she does not carry the same weight at the Elysee as M Dumas and thus will not have the same authority

In bringing in M Trigano into the government, the Prime Minister hopes to dramatise the government's training and job-creation programme. M Trigano has been president of the profitable Club Med group for over 20 years and recently introduced it on the New York Stock Exchange.

President Mitterrand had earlier named him to be president of the committee set up to prepare for the holding of a World Exhibition in Paris in 1989 to coincide with the 200th anniversary of the French Revolution.

Mme Catherine Lalumiere, the present minister for consumer affairs, takes over M Dumas' job as Minister for European Affairs.

Greece clarifies stand on wine deal

BY QUENTIN PEEL IN BRUSSELS

GREECE yesterday sought to allay anxieties that the wine deal agreed by the EEC Heads of Government, at their summit meeting in Dublin this week was starting to unravel, thereby endangering the reopening of negotiations with Spain and Portugal on their proposed membership of the Community.

Three days of confusion have followed the Dublin summit over whether the negotiations can begin on the final crucial issues of wine, fisheries and agricultural trade, because of reservations expressed by Greece over the enlargement talks.

However, a Greek representative in Brussels insisted yesterday that the negotiations could go ahead, subject only to final agreement by next March on a separate package of programmes for Mediterranean regions.

It was also understood that by Mr Andreas Papandreou, the Greek Prime Minister, yesterday sent a telegram to Brussels, clarifying his government's attitude.

New reservations on the wine package—the key to the breakthrough in Dublin, when the Heads of Government agreed on how to control the existing surplus production—were expressed by Greece and Italy at Thursday's meeting of permanent national representatives of the Ten.

Although no details were spelt out, Greece announced that in addition to its overall reservation on the enlargement talks, it had a "fundamental reservation" on the wine agreement. Italy also questioned one particular clause of the deal, which identified how to measure the base for calculating over production.

However, Greek officials yesterday sought to play down the problem, saying that it should be possible to resolve it, by the Foreign Ministers' meeting on December 17.

Concern has been expressed that the general Greek position would delay the process of negotiations in any case by discouraging Spain from making final concessions until it was clear that the position of the Ten would be final.

In spite of the confusion, talks at official level between the European Commission, the Irish presidency of the Council of Ministers, and negotiators from Spain and Portugal, are expected to begin again on Monday with the next round of full ministerial negotiations taking place after the Foreign Ministers' meeting on December

● Leaders of the EEC and 64 African, Caribbean and Pacific (ACP)-states will today sign a third five year trade and aid pact in Lomé, Togo with both sides united only in their relief that months of arduous negotiations are at an end, reports Ivo Dawney.

Agreement on the shape of the new treaty was reached last month when the ACP reluctantly accepted a Community package valued at Ecu 7.4bn (£4.4bn). For its part, the EEC agreed to incorporate a condemnation of South Africa's apartheid system.

The new pact, which comes into force next spring, maintains in real terms the same level of spending as the agreement it succeeds. This falls substantially short of the Ecu 10bn originally sought by the ACP.

New Caledonia stunned by Kanak deaths

BY JUREK MARTIN IN NOUMEA, NEW CALEDONIA

AN UNEASY calm settled over New Caledonia yesterday as France's Pacific Island territory assessed the consequences of Thursday's killing of 10 members of the indigenous Kanak independence movement in the northern village of Hienghene.

Two of the dead men were brothers of M Jean-Marie Tjibaou, President of the recently-proclaimed Kanak provisional government. It was the worst single incidence of violence since the Kanak uprising of 1917 and clearly raises the spectre of reprisals against the French colonials.

However, temporary encouragement was drawn from the fact that yesterday the FLNKS, the Kanak Liberation movement, continued to live up to its pledge to dismantle some of the road blocks that have paralysed three-quarters of the island's traffic.

At a rally of several thousand French settlers yesterday afternoon in Noumea, the capital, M Jacques Lafleur, leader of the militant Colons opposing independence, even called for a moment's silence in respect of the dead men.

But the tenor of the rally—and of speeches by M Lafleur and M Dick Ukeiwe, President of the anti-independence Government elected last month in elections boycotted by the FLNKS—suggested a hardening of attitudes.

M Ukeiwé, who has just returned from consultations with President Mitterrand in Paris, proclaimed that "the fight goes on" to remain French. He wound up an emotional address by crying out "Vive le Nouvelle Caledonie Francaise, Vive la France," which in turn led to a mass singing of the Marseillaise as French flags were brandished aloft.

For his part, M Lafleur implied that FLNKS was not a legitimate independence movement but was being manipulated by outside forces; it was, he said, now "an east-west problem."

The French Colons have frequently claimed that independence under Kanak rule would transform New Caledonia into "a Cuba of the Pacific."

The Colons, immensely suspicious of the French Socialist Government, have themselves been pointing to support from Conservative elements in France including the former president, M Valerie Giscard d'Estaing and M Jean-Marie le Pen, whose right-wing National Front Party captured over 10 per cent of the French vote in this year's election to the European Parliament.

Meanwhile, M Edgar Pisani, the special French emissary, continued his mediation negotiations with all sides, though in the shocked climate of yesterday no progress was reported, or could even be expected.

Peres welcomes French diplomacy in Lebanon

BY PAUL BETTS IN PARIS

MR SHIMON PERES, the Israeli Prime Minister, said yesterday France could play an important role in the Middle East by helping to bridge the difficulties between Israel and the Lebanon and Syria.

At the end of the first official visit to France by an Israeli prime minister in more than 20 years, Mr Peres said he had reached an understanding with President Francois Mitterrand "on the direction and role each of us can play." Mr Peres added: "French diplomacy can serve as an important bridge"

Israeli sources confirmed that Mr Peres had written to President Mitterrand before the French president's visit to Syria at the end of last month. Mr Peres asked President Mitterrand to put a number of questions directly to President Assad of Syria.

The Israeli prime minister, who said he had been struck by the warmth of his welcome in France, suggested that Israel and Syria could arrive at an acceptable arrangement on the Lebanon.

On the issue of Israel's military withdrawal from southern Lebanon, Mr Peres said that at present there was not an adequate Lebanese force capable of guaranteeing Israel's security

He added that the United Nations forces in Lebanon could play an active role in certain areas of the country, but he was not sure that they could play a role in the south.

Soviet general says army must reduce spending

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET army must reduce its spending even if overall defence expenditure increases, according to a Soviet general writing in a military newspaper.

The call for the Soviet military to "observe the strictest regime in economising on means and resources" is made by Major-General Gurov in the daily Red Star.

It is very uncommon for the armed forces to be asked to make such economies. Major-General Gurov suggests the increased use of simulated training vehicles and tanks, instead of real hardware, would cut costs by at least 30 per cent.

The cost of training airforce pilots using simulators is seven to nine times less per hour than the cost of using a jet, says the general. Soviet naval flotillas should travel at a speed which is calculated to save the maximum amount of fuel.

The Soviet defence budget, though believed to underestimate by several times real military expenditure, is raised by 12 per cent next year. Red Star confirms "the amount of economic resources going to the army has increased"

Despite greater international tension between the U.S. and the Soviet Union in the first three years of President Ronald Reagan's term of office, Moscow's defence spending remained steady at about 13 per cent of GNP, according to U.S. estimates.

Football chauvinism gets EEC red card

By Paul Cheeseright in Brussels

THE EUROPEAN Commission has been acting as trainer and referee of the 13 national football associations in the EEC. The playing field was Brussels and the subject of the training session this week was the number of foreign footballers who are allowed to play in the top teams.

The Commission waved no red cards, symbol of punishment on the football field. But in a round of talks with the associations it shook an admonitory finger and give a referee's warning: Let more foreigners into the teams.

National football associations are generally chary about allowing foreigners to their teams and this raises problems, not least about who foreigners actually are.

Foreigners in the EEC are not what football clubs think they are. Foreigners to the EEC are people from outside the Community, they are not Frenchmen playing in England, or Germans playing in the Netherlands.

And because EEC nationals are not foreigners, they have the freedom to move and work in the Community where they want to. That is the law, says the Commission.

Sure enough, there it is in the Treaty of Rome, Article 48 to be precise: "The free movement of workers shall be ensured within the Community . . . This shall involve the abolition of any discrimination based on nationality between workers of the member states as regards employment, remuneration and other working conditions."

So Mr Ivor Richard, the commissioner in charge of social affairs, wanted to hear from the football associations what they are doing about it. The answer is not very much, despite a call for action and a similar meeting in 1978, when the Commission told the football associations to the signing of Community scrap any rules restricting players.

They were also told to make sure that, in the highest divisions of the national football leagues, clubs could field at least two Community players if they wanted to. At other levels there would be no limits.

This week the football associations were told to come back with some proposals for meeting the law by next July—proposals that could be applied in the 1986-87 season. If not, the referee's warning comes into play: It looks as if the Commission would take the associations to court.

The football associations are not likely to be too keen. They do not want members of a mercenary profession to be drawn automatically to the highest paying countries like Italy. And, clearly, if football is more important than life or death, as the late Bill Shankly said, then it must be above the law.

Within the terms of that most human of documents, the Treaty of Rome, the Scottish, Welsh, Luxembourg and two Irish associations are not fouling. The rest have to polish their legal shooting.

Danish tax loophole closed

THE GOVERNMENT yesterday put a stop to one of the hard-pressed Danish taxpayers' favourite dodges by reducing the right for depreciation write-offs on ships owned by more than 10 people from 100 per cent to 55 per cent, Hilary Barnes writes from Copenhagen.

China to allow oil bids for onshore areas

By Colina MacDougall

CHINA plans for the first time to open onshore areas to foreign biding for oil exploration and development next spring, according to the China National Oil and Gas Exploration and Development Corporation.

Peking reports say this will follow two rounds of bidding for commercial contracts for onshore areas, one completed and another announced last month. However, offshore finds have so far proved disappointing and Peking is clearly anxious to widen the search to solve its growing energy problem.

A corporation spokesman said he expected onshore contracts to be similar to offshore production agreements. Plans to call for bidding are on schedule, he said, despite technical problems which are near solution.

Banks grant moratorium on Yugoslavia debt

BY PATRICK BLUM IN VIENNA

YUGOSLAVIA and Western creditor banks have agreed a 90-day moratorium covering debt repayments due from January 1, 1985, during a two-day meeting which ended in Vienna yesterday.

Discussions between Yugoslav officials and Western banks ended with "considerable progress" being made on rescheduling Yugoslavia's debt, banking sources here say.

The international banks also agreed in principle with the Yugoslav request for multi-year rescheduling, although terms will have to be discussed at a further meeting on January 8 in London.

These proposals will go some way to easing the pressure on Yugoslavia which faces debt maturity of $13.85bn (£11.54bn) in the next four years.

The discussions were led on the Yugoslav side by Finance Minister Mr Vladimir Klemencic who was accompanied by representatives of the Yugoslav central bank and other Yugoslav banks.

In exchange for the banks' agreement to multi-year rescheduling for $3.4b of commercial debt due between 1985 and 1988, Yugoslavia has agreed to negotiate a standby agreement for one year from April 1985 to April 1986. Thereafter it has also agreed to accept enhanced monitoring by the International Monetary Fund of certain targets which will be negotiated by the commercial banks, the IMF and the Yugoslav authorities.

Poehl outlines plan of action for EMS

BY JONATHAN CARR IN FRANKFURT

HERR KARL OTTO POEHL, President of the West German Bundesbank, yesterday staked out the battle lines on the issue Monetary System (EMS).

That may seem an exaggerated way to describe his speech in Bonn to an audience of European savings bankers. But Herr Poehl has now pinned down in public exactly what the Bundesbank is ready to do to help develop the EMS.

And it is precious little—so long as an array of other countries do not first take action themselves. These include France and Italy, which should abolish capital controls, Italy (again) which should give up the Lira's specially wide fluctuation band in the EMS, and Britain, which should at last become a full member of the system.

All that, in Herr Poehl's view, is more important than mulling over how to give greater profile to the European Monetary Co-operation Fund (EMCF).

Observers were struck by the trenchancy of Herr Poehl's remarks—one of the sharpest speeches he has given either as Bundesbank chief or, previously, as a senior civil servant under Chancellor Helmut Schmidt in Bonn.

For example, he noted that some of the ideas tossed about for developing the EMCF would simply "contribute to swelling the EEC bureaucracy."

He also called the idea of creating an Ecu coin a "superfluous, symbolic gesture" which in any case was impossible to carry out for legal and monetary reasons. (The idea in fact) was noted approvingly by a European Council meeting of EEC state and government leaders).

As for the Ecu as it stands—Herr Poehl made clear he did not think much of it on grounds it was a currency cocktail with several pretty weak ingredients (compared with the D-Mark for example).

There are at least three reasons why Herr Poehl has spoken out now in almost belligerent terms. The Bundesbank central council thrashed out its attitude to the EMS and Ecu at a long private meeting a week ago. There are "doves" in the Bundesbank on the EMS and Ecu as well as "hawks"—and sometimes Herr Poehl has appeared to be more flexible than several of his colleagues.

But the central council has now wrung through to a tough stand and its president is putting its view to the world with no ifs and buts.

The Bundesbank is ready to expand the use of the "official Ecu" (as used between central banks) and privately complains that Belgium is blocking this plan. But at present it will not go further than that.

Poehl . . . spoke out in almost belligerent terms

Secondly, the Bundesbank has virtually nothing to fear in terms of criticism or opposition from the Bonn Government. Chancellor Helmut Schmidt, takes little interest in monetary affairs. Herr Martin Bangemann, the fairly new Economics Minister, is keen to force the pace of European monetary integration but is widely felt to something of a lightweight.

Herr Gerhard Stoltenberg, the competent Finance Minister, broadly shares the Bundesbank's views.

Thirdly, the Bundesbank is determined to nip in the bud what it feels might be a challenge to its independent status coming from outside West Germany. It is known to fear that procedures recently used by the European Commission might create a precedent for indicating that the German central bank was subject to orders from Bonn.

Herr Poehl made crystal clear that ambitious plans for turning the Ecu into a genuine European currency implied creation of a European central bank, with the tasks and duties of an independent "lender of last resort."

The Bundesbank president stressed an EEC Treaty change would be needed for such a big step—and he did not think European countries were ready to make such a change.

This is the heart of the matter as far as the Bundesbank is concerned—and Herr Poehl has sought to ensure everyone realises it.

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OVERSEAS NEWS

Hijacking poses political dilemma for Iran

BY KATHLEEN EVANS IN ABU DHABI

THE HIJACKED Kuwaiti airliner sitting on the tarmac at Teheran airport strikes at the very heart of Iranian politics.

On the one hand, the Government has for some months been trying to disassociate itself from Islamic terrorist movements, hut on the other, it is totally committed to the export of Islamic revolution and the destruction of U.S. infinence in the region.

The 17 Arabs being held in a Kuwaiti jail following their conviction last February appear to have close connections with Iran. Kuwaiti security forces say that a number have confessed to being members of the Al Daawa Party of Iraq, whosa objective is the overthrow of the Government in Baghdad.

The Al Daawa Party is beadquartered in Tehran through its affiliation with an Iranian official body known as the Supreme Assembly for Islamic Revolution in Iraq, headed by Iraqi born Baqr Hakim, which acts as an umbrella for all the Islamic groups.

Links were also traced by the Kuwaiti police to leading Shiite groups active in Lebanon, principally an Islamic sector led by Hussein Moussavi, which is generally believed to be behind the truck bombings in Beirut of the U.S. embassy and marine harracks.

Knwaiti hijackers lead a hostage off the aircraft before shooting him

The conviction and subsequent death sentences given by the Kuwaiti court generated a deluge of protests from Iran, and ominous threats against Kuwait from Iranian radio. The Kuwaiti Emir subsequently never signed tha orders confirming the death sentences on three of the convicted.

But in the last few months, a new thread has been detectable in Iranian foreign policy. Ali Akhbar Vela-ati, Foreign Minister, has been advocating that Iran maintain normal friendly diplomatic contacts with all nations—except of course with "the great satan" (the U.S.), Israel and South Africa. This policy has been particularly emphasised with regard to the Gulf States.

But the pursuit of a new diplomatic imaga for Iran has not been universally welcomed in the country. The foreign minister has been under attack in parliament for conducting relations with atheist and unfriendly powers, but so far Velayati bas emeged on top for one reason—the policy has the full backing of Imam Khomeini.

The irony is that the hijackers, who are thought to be Lebanese Shia, may he connected to groups which have long been supported, or at least inspired, by Iran.

U.S. officials say they bave growing evidence that the hijackers are connected to known Islamic terrorist groups in Lebanon which carried out attacks on U.S. targets. Hence the arrival of the hijacked Kuwaiti airline has caused extreme embarrassment to the Iranian Government, and its foreign minister. The minister left Tehran on Thursday on an unannounced visit overseas.

Nevertheless, Iranian media has continued to refer to the 17 Arabs held in Knwait as "mujahadeen" or holy warriors, and hence since the arrival of the plane, the Iranians bave attempted to hand the problem over to the Kuwaitis, and hlame Kuwaiti intransigence for the rising number of deaths.

Tha Arab heads of state have pleaded for Iran to intervene, hut Iranian foreign ministry statements claim that, at the request of the Kuwaitis, military force will not be used.

The decision to storm the plane or not will thus have long-term political effects inside Iran. Most observers in Tehran believe that force will be avoided as long as possible—for as long as the official excuse of concern over passengers lives remains credible.

If, however, Iran chooses to intervene militarily, it will be for fear of too close an identification with the hijackers, and the international repercussions which may follow.

It will also be a blow to the radicals inside parliament and a boost to Velayati's pursuit of a respectable Iran.

Threat to kill seldom carried out

Walter Ellis looks at the extent to which holding countries to ransom has succeeded

WHAT IS perhaps most surprising about the latest Tehran hijacking drama is the fact that the hijackers have begun carrying out their threat to kill hostages.

So far this year, the mortality rate among hijackers has generally been higher than that of their potential victims. At least six of those who have taken over planes and issued demands with menaces have been killed hy security forces. Others were wounded and more were taken prisoner. Very few achieved their stated objective.

The major exception before this week was in February when an Ethiopian seeking refuge in Somalia let off a hand grenade that killed himself and 25 others when he realised that the aircraft he had commandeered was about to land not in Somalia but in Ethiopia. In this case, however, the aircraft was military, and no civilians were involved.

Since hijackers are in nearly all instances political extremists or desperate, or both, it may appear strange that tbay should so frequently be shot while their hostages escape unharmed.

One conclusion has to be that they are more optimistic about the success of the negotiations which are invariahly opened with them.

Countries which frequently host hijackings tend to fall into three categories:

● Those (like Iran and Taiwan) which have a political interest in the outcome.

● Those which aay no at any price and call out the sharpshooters.

● Those which pass on the problem to one of tha other two.

When hijackers do come up against sharpshooters, they have normally suffered a bloody defeat.

In September, Iraqi security guars shot dead three Iranians who had tried to divert an Iraqi flight from Cyprus to Baghdad.

In July, four Venezuelan commandos freed all 79 hostagea aboard a Venezuelan aircraft in Curacao and killed hoth hijackers. Turkish troopers stormed a Saudi jet in Istanbul in July and wounded several of the hijackers. Soviet security guards opened fire on eight hijackers during another attempted hijack to Turkey, and in the ensuing hattle seven died.

Even when there are deaths on either side, hijackers tend to rely on help from "friendly" governments when the going gets rough. Thus, Chinese hijackers prefer Taiwan as a destination, Shi-ite terrorists like to end np in Iran

Complex hijackings—those which involve several switches of location—can hring the hijackers up against each of the three categories of country listed above.

Increasingly, it has been Tehran which has drawn criticism in recent years. In August, passengers onboard an Air France Boeing 737 claimed that three hijackers, two Lebanese, one Iranian, were actually handed guns while on the ground in Tehran.

France and West Germany, each of which bad citizens on the captured jetliner, finally pressured Iran into ending the bijacking. It was reported, thougb, that the gunmen were granted asylum. Their demands—for the release of Iranian prisoners in France—were not met.

Warsaw attacks W. German right-wing

BY CHRISTOPHER BOBINSKI IN WARSAW

ON THE anniversary of the 1970 treaty between Poland and West Germany, Warsaw has launched a series of attacks on the right wing of the West German Christian Democrats, blaming them for reviving claims to Poland's western territories.

This followed the abrupt postponement of a visit here last month hy Herr Hans Dietrich Genscher, the West German Foreign Minister, which damaged relations between Bonn and Warsaw.

The Polish paper bave welcomed Herr Genscher's latest conciliatory statement, wbich Zycie Warszawy, a Warsaw daily, says "both in tone and content brings to mind the best, most constructive years in mutual relations."

At the same tima other commentaries yesterday underlined that Warsaw is ready to deal with the Christian Democrats

● The Hungarian Government bas gained some younger hlood with the elevation this week of Mr Laszlo Marothy, the Budapest party chief and Politburo member, and Ms Judit Ccebak, a national trade union leader, to the rank of deputy premier. Both are in their early 40s,

ECONOMIC DIARY

TODAY: Bangladesh Parliamentary elections. Lome III signing, Brussels.

TOMORROW: Mrs Betty Heathfield, wife of NUM general secretary, speaks at National Union of Students conference, Blackpool.

MONDAY: November provisional producer price index numbers; and retail sales figures. Third quarter food facts. Sir Geoffrey Howe, Foreign Secretary, visits West Berlin. EEC Finance Ministers meet, Brussels. EEC Agriculture Ministers start two-day meeting, Brussels. Central bankers meet in Basle. European Parliament session opens, Strasbourg (until December 14). NUM sequestration hearing, Dublin High Court. Deadline for TGWU to pay £200,000 contempt fine. International Chamber of Commerce conference in Paris on latest trends in international transport.

TUESDAY: London clearing banks' monthly statement for mid-November. Provisional estimates of monetary aggregates (mid-November). Mr Nigel Lawson, Chancellor of the Exchequer, speaks at Institute of Directors annual dinner, Grosvenor House, W1. EEC Transport Mioisters start two-day meeting, Brussels. EEC economic and social committee plenary session opens, Brussels (to Dec 13). Institute of Chartered Foresters conference on compnters in Forestry, Edinburgh (until December 14). FT conference opens on World Telecommunications, Inter Continental Hotel, W1 (to December 12). FT European Gas Conference, Vienna (to December 12).

WEDNESDAY: Mrs Margaret Thatcher, Prime Minister, speaks at National House Builders Council annual lunch, London. Mr Cecil Parkinson speaks at Building Materials Export Group lunch, London. EEC Budget Council special meeting, Strasbourg.

THURSDAY: October index of output for the production industries. Construction output for the third quarter. Third quarter revised figures for capital expenditure hy the manufacturing and servica indnstries. Manufacturers' and distributors' stocks (third quarter—revised). Investment intentions of the manufacturing, distribntive and servica industries (1985-1986). EEC Social Affairs Council meets, Brussels. Ministerial consultations between the European Community and the U.S. Nato Foreign Ministers two-day meeting opens in Brussels. Polling in Enfield, Southgate, hy-election.

British hankers meet Mr Bernardo Grinspun, Argentine Economy Minister, to discuss finance package, Zurich.

FRIDAY: November tax and prica index; and retail prices index. Building societies' monthly figures for November. Post Office statement on development ln "Intelpost" facsimile service. Belize general elections.

UK NEWS

Gummer attacks CEGB on Sizewell

By A Special Correspondent

MR JOHN GUMMER, the Conservative Party chairman, yesterday made a surprise attack on the Central Electricity Generating Board, saying it gave the impression it is not concerned about the local impact of the proposed Sizewell B nnclear power station.

Mr Gummer was giving evidence at the Sizewell B inquiry as MP for the Suffolk coastal constituency, which inclndes tha nuclear site.

He said the board had failed to give the impression it really cared about disturbance from construction traffic.

Mr Gummer said the hoard had produced no evidence to suggest it is taking note of cals for more sea and rail transport and for a new road, linking tbe A12 trunk road to the Sizewell site.

He also accused the hoard of trying to pass responsibility on to contractors for minimising road traffic disturbance.

He called upon Sir Frank Layfield, QC, the inquiry inspector, to ensure the hoard did accept full responsibility if he ultimately recommends the power station sbould be built.

Mr Gummer said the CEGB had "honourahly" made it clear it would seek permission for further power stations at Sizewell after the B plant. Local residents faced the prospect of increased traffic for a period of 40 years.

It was only reasonable people should expect that everything possible was heing done on their hehalf. This was not the Impression which had so far been given.

The board later said it felt it had put forward a balanced case to protect the invironment, but its proposals would be reviewed in the light of Mr Gummer's statement.

Lack of export orders hits commercial vehicles

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

PRODUCTION OF commercial vehicles this year has been hadly damaged by the lack of export orders and could fall to the lowest level for 35 years.

Provisional estimates hy the Department of Trade and Industry for the first 11 months indicate that output was 6 per cent helow that for the same period last year.

"This is likely to take ontput for 1984 as a whole back to the very low level of 1981," the department said.

However, some in the industry expect production to fall below the 1981 level of 229,600 vehicles and reach the lowest point since 1949, when output was 216,373.

Between 1949 and 1970, production of commercial vehiclea climbed steadily to reach 456,206, but has been declining steadily since.

According to the department, commercial vehicle ontput fell last month to a level equal to the lowest monthly figure this year—16,200 (on a seasonally adjnsted basis). That compared with 21,300 in November last year.

Recorded production for the first 11 months was 209,900 and this month's output would have to reach 19,700—which seems highly unlikely—if the very low 1981 total is to be reached this year.

Commercial vehicle registrations, in contrast, continued to rise last month and were up by 0.5 per cent to 22,729 for November and by 1 per cent to 255,442 for the 11 months.

Importers have been improving their share of the available business. Last month, they took 37.9 per cent (up from 34.7 per cent in November last year) and for the 11 months 36.2 per cent (34.4 per cent).

The Society of Motor Manufacturers and Traders' statistics show that for the 11 months (with last year's total in brackets) registrations of light vans were 80,126 (80,621) those of medium and heavy vans were 110,099 (110,379) and of light four-by-four vehicles, 12,064 (11,285). Sales of trucks and articulated vebicles reached 49,924 (47,027) and those of huses and coaches were 3,229 (3,477).

● Car production fell for the third consecutive month last month and the department said that output for this year was certain to fall below 1m—a total reached last year for the first time since 1979.

Car output last month (seasonally adjusted) was 65,000 compared with 94,000 in November last year, having been hit by disputes at Austin Rover and Ford plants. Recorded output in the 11 months was only 856,000.

Inquiry clears Volvo 300 series

BY OUR MOTOR INDUSTRY CORRESPONDENT

THE DEPARTMENT of Transport has ended its investigation into "runaway" incidents involving Volvo 300 series automatic cars, saying that no manufacturing or design defect could be found.

The department said yesterday: "We have terminated our investigation after two years of exhaustive tests and consultations during which time a great deal of taxpayers' money was spent."

The department is writing to the Volvo 300 series car owners who had been in contact about the incidents to inform them that the file has heen closed.

However, the department made it clear that if fresh evidence were brought to light the investigation would he reopened.

Drivers had complained that the Volvo automatics had taken off at speed from a standing start.

Volvo Concessionaires, the Lex Service group subsidiary which imports the cars from the state-owned manufacturer in Belgium, last year bad them investigated hy the Motor Industry Research Association as well as the Department of Transport. However, neither was able to recreate the alleged runaway under test conditions.

"As far as we are concerned there is nothing wrong with the cars," said Mr Peter Turnhull, chiew executive of Concessionaries. "But if any owner helieves he has a problem, of course we will look at the car."

In February this year 36 Volvo car owners whose 300 series automatics had heen involved in incidents formally set up an owners' action group and invited another 126 people who claimed that their cars were similarly affected to join. Among other objectives, the action group has heen pressing for compensation from Concessionaires.

Watchdog recommends air service standards

By Michael Donne, Aerospace Correspondent

THE Air Transport Users Commitee has drafted a series of recommended minimum standards of service to airline passengers which it says the airlines should he ohliged to adopt.

The committee is a Civil Aviation Authority—appointed watchdog which represents the interests of aviation consumers., both passengers and cargo shippers. It believes its proposals, sent to the airlines, should hecome a yardstick applied by the authority when its awards route licences.

The recommendations cover airlines' behaviour over matters including overbooking, delays and cancellations, care of childre nad handicapped passengers, seat allocations, smoking areas, lavatories and cahin staffing.

The committee says it has had some success on the overbooking problem. British Airways started to invite passenger volunteers to stand down to await the next flight, with compensation, when a flight was overhooked. The system appeared to work well.

British Caledonian is considering a similar scheme. It is hoped Continental airlines will be forced to follow.

The committee recognises that this voluntary system of overbooked passengers standing down is not perfect hut that it is hetter than arhitrary selection by the airline itself and does mean those whose personal or business plans would have been wrecked by delayed travel can still fly.

The committee urges airlines to adopt a uniform procedure for handling delayed flights.

Air Transport Users Committee, Annual Report 1983-84; 129 Kingsway, London WC2B 6NN; £1.00.

Phillips & Drew tops survey

BY JOHN MOORE, CITY CORRESPONDENT

PHILLIPS AND DREW, a London stockbroker, has topped a chart for the quality of its research, according to a survey issued yesterday. The survey was by the Association of Corporate Treasurers and Chase Manhattan Bank, with the research and planning unit of Valin Pollen, a public relations consultancy.

In it, 551 finance directors of leading companies in 20 industrial sectors of the UK were asked whether they thought stockbrokers' analysts were excellent, good, average, or poor.

Analysts were assessed on day by the Householders Association following the collapse of Cold Shield, a major double glazing company. The House- their market knowledge, quality of analysis, quality of reports and overall professionalism. Of the 551 finance directors approached, 157 replied.

In the league of top-ranked analysts were Mr John Tyce of Laing and Cruickshank for banks and financial companies; Mr Fred Wellings of Laing and Cruickshank for buildings and construction; Dr C. Lambert of Buckmaster and Moore for chemicals, health and household products companies; Mr Graham Meek of Wood Mackenzie for electricals and electronics; and, Mr Hector Sants of Phillips and Drew for food and tobacco companies.

The others who were named top in their respective fields were Mr Philip Olsen for the insurance sector; Mr L. R. Morton of Hoare Govett for mechanical engineering; Mr M. Unsworth of Scott Goff Layton; and, Mr P. Hardy of Rowe & Pitman for property.

It was unclear yesterday whether the survey would become a regular annual fixture. The future of the Continental Illinois survey, which has been running for 11 years, is in doubt.

Part of the problem centres on copyright difficulties. Mr Geoffrey Osmint, designer of the survey, has left Continental Illinois to join County Bank. He is understood to retain the copyright.

● Merrill Lynch, the U.S. securities firm, has appointed Mr Alan Lechner as European research director to build up a UK and European research team in London.

Attack on pension proposals

By George Graham

THE Government's proposals on personal pensions have come in for more criticism from the UK life assurance industry. Legal and General said the Department of Health and Social Security's consultative document, issued in July, would fail to make personal pensions attractive enough to employees who were not in company schemes.

"As it stands, the deal that would be offered to people who are not in occupational schemes is just not good enough to encourage them to take up the option of running their own pension plan," said Mr John Craddock, Legal and General's pensions director.

To make personal pensions more attractive, it was essential that the employee should be able to claim tax relief when pension contributions were made, rather than having to claim a refund later, Legal and General said.

"The ability for the employee to obtain tax relief at the time the personal pension contribution is paid rather than in arrear (as with self-employed pensions), seems to us to be crucial to their success."

NatWest drops Cash Wise account scheme

By David Lascelles

NATIONAL WESTMINSTER BANK is to withdraw its Cash Wise account, launched last year to try to attract customers without bank accounts.

NatWest said yesterday the scheme had attracted a disappointingly small number of accounts. It blamed this on a welter of more recent products from competitors—both banks and building societies—rather than faults in the account itself.

Cash Wise was aimed at wage-earners with a bank account. It offered a simple but complete banking service giving depositors a savings account, cash card and modest overdraft facilities for a flat charge of £1.50 a month. Cheques and standing orders were available for an extra charge.

The account was novel because it was administered centrally through a NatWest office in Birmingham.

The scheme had attracted some 10,000 accounts with total balances "in the seven figures." But this was several times less than NatWest hoped.

Warning on hi-tech skill shortage

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

WARNINGS ABOUT a national shortage of employees with high technology skills are reinforced by a local study published by the Manpower Services Commission yesterday.

The study covering Newbury, Berks — an M4 technology corridor town — and Milton Keynes, Bucks, shows that hard-to-fill vacancies are almost all at technologist and technician levels.

The report says: "Very nearly three-quarters of these skill shortages were vacancies for graduate scientists or engineers, technical managers and other technologists posts, with technician shortfalls accounting for a further 20 per cent."

The findings were presented to employers in Newbury yesterday at a meeting attended by Mr Tom King, Employment Secretary. Last month he helped to launch an MSC initiative to encourage employers to take adult training more seriously.

The report says that because most vacancies for experienced graduates in new technology disciplines are filled by national advertising, the skill shortage lies mostly beyond the scope of local remedies.

"There is, however, still much room for local initiatives in overcoming shortages relating to established patterns of local recruitment. The major target for such initatives must be the shortfalls, in all probability on the increase, of qualified technicians.

"A serious problem here is the lack of fifth form school leavers with the right "O" level qualifications who are prepared to enter technician traineeships."

The report says that a minority of employers adopted a highly responsible approach, planning to meet skill needs through recruitment of trainees and systematic training.

Mr Mike Porter, MSC regional director, said at the Newbury meeting that training was available locally and that MSC grants could be obtained toward training costs. However, most employers lacked a major commitment to training; too many relied on short-sighted recruitment, prefering to buy in experience rather than develop it.

Collapse prompts warranties warning

BY CHARLES BATCHELOR

MORE THAN 200,000 householders may hold worthless long-term warranties for work carried out on their homes following the sharp increase in the failure rate of home improvement companies in recent months.

This claim was made yesterday by the Householders Association. The Householders Association is a private company which advises its 160,000 members on matters such as home improvements and insurance.

Kean and Scott, part of Mr Michael Ashcroft's Hawley Group, which owns Cold Shield, revealed yesterday that two other subsidiaries recently acquired as part of the Moben Group were also put into receivership on Thursday. They are the Wallguard damp-treatment company and Mulberry Home Extensions.

Kean and Scott said yesterday it was not in a position to take on the "warranty agreements reached by the three companies. Wallguard offered 30 year warranties, Cold Shield five year warranties and Mulberry one year warranties.

The Householders Association urged home owners who have had work carried out by these three companies to either register their claim or report the existence of the warranty agreement to the receiver.

The association claimed that 26 home improvement companies had gone out of business in recent months and blamed their failure on the imposition of 15 per cent VAT on home improvements from June 1 and the effects of the miners' strike.

Judge rejects challenge to EEC budget order

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A CHALLENGE to the procedure by which the Government plans to authorise payment of an additional £120m to this year's European Community budget failed in the High Court yesterday.

Mr Justice Woolf dismissed a claim by Mr William Oliver Smedley, a retired Essex chartered accountant, for an order quashing the decision of Mr Nigel Lawson, Chancellor of the Exchequer, to seek approval for the payment through a vote in both Houses of Parliament.

Mr Smedley maintained that an Act of Parliament was necessary, rather than the Order in Council proposed by the Treasury.

The judge said that in October the UK and other EEC states undertook to make reimbursable payments to finance a draft supplementary and amending community budget as soon as possible.

Mr Smedley contended that the Treasury had no power to adopt the procedure it proposed for authorising the payment and that payment without the authority of an Act would be unlawful. The Treasury denied that the procedure would be unlawful.

The judge said the draft Order in Council complied with the 1972 European Communities Act in that it specified that the *undertaking* was a treaty ancillary to a Community treaty which said that EEC books must balance in any year.

It was clear that the undertaking was intended to deal with a limited and specified situation by making limited and specified payments.

Dublin brokers agree to merge

By Brendan Keenan in Dublin

TWO LEADING Dublin stockbrokers have agreed to merge in what is seen as the first important Irish response to the changes in stock exchange rules.

The merger of Dudgeon with Goodbody and Wilkinson will make the new firm easily the largest stockbroker in Dublin.

A statement said the new firm, Goodbody Dudgeon, would be better structured to handle the changing institutional business and would be more actively involved in the development of the corporate sector.

The Dublin exchange is a unit of the London exchange, but no one is sure what the impact of the changed regulations will be.

National and City Brokers Ireland has already agreed to buy 29.9 per cent of Dillon and Waldron, the stockbroker, with an option on the remaining shares.

Grants row is hampering Tory campaign, reports **John Hunt**

By-election embarrassments in Southgate

THE GOVERNMENT muddle over student grants and Sir Keith Joseph's subsequent climbdown is the nearest thing to a major issue to emerge in the Enfield Southgate by-election, where the campaign has moved into its final phase. Voting is next Thursday.

Mr Michael Portillo, the Conservative candidate, has energetically tried to limit the damage and he believes this has been effective. He even phoned the Education Secretary earlier in the week and warned him of the effect the original proposals would have on the electors.

Nevertheless, the affair has been an embarrassment to the Conservatives and the row continued to rumble on yesterday. Mr Portillo had to apologise for not attending a meeting of sixth-formers for an education discussion at the Southgate *Upper School*.

The other candidates, Mr Peter Hamid (Labour) and Mr Tim Slack (Liberal-Alliance) turned up for the debate but Mr Portillo said his invitation arrived too late.

Needless to say, Labour and the Liberals are making the most of this. They maintain that far from being a dead issue, the remaining increases in parental contributions to students are causing widespread dissatisfaction among Conservatives.

Evidence of this is not, however, obvious on the door step. Mr Portillo, 31, one of the bright boys from the Conservative Research Department, has developed an extraordinary high-speed method of canvassing and seems to be trying to emulate Mr Tony Benn who set out to meet every potential voter in the Chesterfield by-election last year.

Certainly there is no apathy in the *Conservative* team in spite of the big majority left by the previous Conservative incumbent, Sir Anthony Berry, who died in the Brighton bombing.

"We are treating this as a marginal," says Mr Portillo grimly.

The candidates (left to right): Michael Portillo, Tim Slack, Peter Hamid

He tears along thoroughfares lined with prosperous neo-Georgian or mockTudor houses. His campaign van goes ahead, packed with helpers who fan out to bring people to the pavement.

Mr Portillo then runs along the road like an athlete training for the Olympics. Some loyal voters obligingly co-operate by sending him on his way with a promise of their support.

Most of the subjects raised are local. A woman concerned about the lack of geriatric facilities gets a reassuring word from the candidate.

Concern over the high level of unemployment keeps breaking through. Mr Portillo assures people that if returned he will be urging the Government to do more on this front.

The constituency certainly calls for versatility in an MP. There is a large community of Greek and Turkish Cypriots who are not slow in wanting to know where the candidates stand on Cyprus. Extraordinary as it seems in this part of north London, there are three farms in the constituency and the farmers pop up at local meetings to ask questions on the Common Agricultural Policy.

However, no issue has dominated the Southgate campaign, unlike the Portsmouth South by-election where the *Social Democrats* were helped to a surprise victory by the contentious subject of cuts in naval dockyards.

To be on the safe side, the Tories are bringing in their big names, including Sir Geoffrey Howe, Foreign Secretary, Mr Nigel Lawson, the Chancellor, Mr Norman Fowler, Social Services Secretary, and Mr Tom King, Employment Secretary.

According to the Liberals this has sometimes been counterproductive. A Liberal "mole" at the meeting addressed by Mr Lawson in the "blue chip" Tory area of Hadley Wood claimed he had been given a roasting over unemployment, the economy and cuts in overseas aid.

Mr Andy Ellis, Liberal Party vice-chairman who is press officer for the campaign, says there is every indication the Liberals are in second place and improving their position. The other parties respond that the Liberals always say this at this stage of a by-election in the hope of starting a "bandwagon" effect.

Mr Ellis maintains that Liberal canvassing returns show that, apart from 27 per cent who say they won't vote there are 35 per cent undecided—many of them former loyal Tories who are natural recruits for the Liberals.

The succession of Tory "own goals" in recent weeks and the well publicised rebellions by the Conservative wets in the Commons have, says Mr Ellis, severely strained Tory loyalties in the constituency.

For Labour, Mr Hamid dismisses the Liberal claim of second place as "the usual gimmick" and says: "I still have my eyes on the winning post." He sees all the signs that Labour is increasing its vote from the general election when it was beaten into third place.

A selection of Labour shadow cabinet names—left, right and centre—have visited the constituency. Mr Neil Kinnock, the party leader, arrives on Monday, and on Tuesday Mr Michael Foot, the former leader, will be lending his venerable presence.

GENERAL ELECTION: A. Berry (Con) 26,451; D. Morgan (Lib) 10,632; M. Honeyball (Lab) 8,132; M. Braithwaite (BNP) 318. Con majority 15,819.

Ten held in PSA corruption probe

TEN PEOPLE have now been arrested by Scotland Yard Fraud Squad officers investigating alleged cases of corruption involving the Government Property Services Agency.

The agency, part of the Environment Department, is responsible for managing the Government's £10bn property estate. It was confirmed last month that investigations were being made by the Yard's public sector corruption unit.

On Thursday detectives arrested five men, all present or former PSA employees. Yesterday they detained four contractors and a Greater London Council employee.

Cdr William Hucklesby, head of the Yard's fraud branch, said: "Our investigations when completed will be reported to the Director of Public Prosecutions and the Attorney General."

He said any charges would then be pressed at the direction of the Attorney General. He did not rule out the possibility of more arrests.

Last night the 10, who were all taken to London's Rochester Row police station, were still being detained. The police move follows newspaper allegations involving contracts to builders for building and maintenance work on Government-owned property.

Compensation for Guernsey depositors

GUERNSEY GOVERNMENT allocated £600,000 to compensate former depositors in the locally based Barnett Christie (Finance), the small fringe bank which collapsed in 1978 owing about £1.6m.

The figure is revealed in the 1985 Budget report, to be presented to the island's parliament on December 12. Of the sum due to depositors, £50,000 is shown as recoverable under insurance claims.

On December 12 local MPs will be asked to approve terms of reference for a committee of inquiry into the Barnett Christie affair. The proposed investigators are Mr Christopher Clarke, QC, and Mr John Rule, QC. They will visit the island for a week in the spring to take evidence.

London called on to tidy up for tourists

MR JOHN BUTCHER, the junior Trade Minister, yesterday urged London to tidy its tattier areas as an incentive for tourists. He told the Commons in a debate on tourism that London was a main attraction for overseas visitors.

He said there was at the very least room for improvement in the way the city presented itself. The Gatwick Airport-Victoria rail link brought people from all over the world to a station with perhaps the roof leaking, no taxi to be found and sheer chaos across the barrier.

Planners approve opencast coalmine

PLANNERS HAVE approved a 229-acre opencast coal site with 1m tonnes of reserves near the village of Bermuda, Nuneaton, Warwicks.

The National Coal Board yesterday said the site would eventually create 75 jobs and part of the land would be allocated for industrial development.

Norfolk clockmaker in receivership

JENTIQUE & METAMEC, clock- and furniture-maker, of Dereham, Norfolk, employing 540, called in the Receiver yesterday. Stock market trading in the group was suspended on Thursday.

Mr Michael Jordan, the receiver, said he hoped to find a buyer to save jobs. In the past four years the factories faced a series of redundancies and short time working. The last half yearly report showed losses of nearly £500,000.

Brake-lining maker cuts 140 more jobs

MINTEX, THE brake-lining company, announced 140 job cuts at Cleckheaton, near Bradford. It said the redundancies, expected to take effect at Christmas, are required to cut overheads.

The workforce was cut by 88 jobs earlier this year and by 200 in 1982.

Walker approves Esso pipeline

ESSO, the U.S. oil company, is to build an onshore oil pipeline for £40m from its Fawley, Hants, refinery to Seisdon, near Wolverhampton. Yesterday Mr Peter Walker, Energy Secretary, gave government approval to the construction of the 130-mile pipeline. This follows a public inquiry last July when the Inspector recommended the pipeline be approved.

Esso supplies to the Midlands and the North of England are shipped from Fawley to Milford Haven, which is linked to Seisdon by an existing pipeline.

Sea Containers 'broke union recognition pledge'

BY DAVID BRINDLE, LABOUR STAFF

THE WHITE-COLLAR union, the Transport Salaried Staffs' Association claims that Sea Containers has broken assurances on union recognition, given when the company took over Sealink UK earlier this year.

Mr Bert Lyons, TSSA general secretary, said last night that the matter was of grave concern to all the unions representing the almost 10,000 former Sealink workers transferred to the British Ferries subsidiary of Sea Containers.

However, the company denied there was any intention to renege on undertakings previously given.

The row has blown up over the transfer of staff from former Sealink departments to other parts of the Sea Containers group. A group of six has moved to the Hart Fenton company, which does not recognise unions for staff representation, and TSSA says up to 50 others will soon move to other companies with the same policy.

The union maintains that the six were given a deadline to sign contracts of employment containing a clause on non-recognition of unions and were given no indication as to what would happen if they declined.

Mr Lyons said it would be "naive" to imagine that the episode did not signal broader moves by Sea Containers against the union rights of former Sealink workers. Protests were being lodged with the company and further action would be considered by TSSA if there was no settlement.

The move by the company was a clear breach of guarantees given by Mr James Sherwood, president of Sea Containers, that union consultation and negotiations would continue unchanged after the takeover of Sealink and that TSSA would continue to represent all staff in membership at the time.

"He gave me a personal assurance, subsequently confirmed in writing, that members of Sealink staff would continue not only to have their conditions fully protected, but would also have trade union recognition for representation purposes," Mr Lyons said.

Sea Containers is registered in Bermuda but has operational headquarters in London. None of its subsidiary companies based at Sea Containers House recognises unions for representation purposes, although union membership is not banned.

Sea Containers said the six staff transferred had done so entirely voluntarily with fresh contracts offering terms at least comparable to those obtained at Sealink. No decision had been taken on transferring any further staff, the company said.

Southampton port closure averted

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE THREAT of total closure in the port of Southampton, where the container terminals have been idle for seven weeks in a dispute over shift and manning changes, was averted last night in talks between dockers and management.

The dispute had looked like shutting the whole port, including grain, car, and cruise ship handling, after the unions refused to operate the local agreement covering pay and shifts.

On Thursday, the port's management said that dockers for whom there was no work—most of the 920 still left after 160 voluntary severances—would be paid only £83 a week instead of £123.

The port, part of Associated British Ports, wants to make cost savings of up to £9m a year and pass them on to shipowners who have complained that other container ports such as Felixstowe are much cheaper.

It cut the dockers' fall-back pay after the union said that it wanted to terminate the agreement on pay and working practices in the non-container part of the port.

The dockers later withdrew their notice of termination from this weekend, but the management refused to accept the move, saying that it wanted full agreement on its cost-saving package.

Last night's talks resulted in agreement by the dockers to work on any ships that enter the port and do any overtime required but the basic dispute over manning levels on the container berths has still to be settled.

The port, which City analysts believe could lose about £2.5m this year because of the dispute, is not actually on strike, but big container lines have stayed away pending resolution of the disagreement.

Other ports in Britain and on the Continent have picked up the business which would have gone to Southampton, regarded by shipowners as the best-sited port with the best deep water facilities in the UK.

Bristol has taken two large container vessels from the international Trio consortium of British and other lines serving the Far East. It expects another on Sunday. Greenock, Scotland, has handled five with two more due this month.

The Trio consortium, by far the biggest container shipping user of Southampton, has said that it would consider other ports, including Felixstowe, now engaged in a £40m expansion project—if the Hampshire port failed to solve the dispute.

The second biggest user, the SAECS consortium to South Africa, is using Liverpool in the meantime. Other lines have left Southampton for good, mostly for Felixstowe.

Next week, Southampton expects to handle several car carrying ships, grain vessels, and cruise ships such as Cunard's QE2, back from a West German refit, and the Sea Princess, part of P & O Cruises.

Rift in CPSA deepens

By David Brindle, Labour Staff

THE SPLIT in the left-wing leadership of the Civil and Public Services Association, the largest Civil Service union, was made formal yesterday at the founding conference of a breakaway group opposed to Militant Tendency.

Right-wingers see the split as likely to hand them control of the union at the next elections to the national executive committee. It looks irrevocable after the breakaway group voted specifically yesterday to bar Militant supporters.

The group, Broad Left '84, mainly comprises left-wing Labour Party and Communist Party supporters. It has the backing of 13 members of the executive, as opposed to nine who support the Militant-dominated Broad Left.

About 170 CPSA members attended the founding conference in London of the new group, together with a number of observers from Trotskyist groupings which are uncertain whether to join or to stay with Militant.

Mr Ray Alderson, a CPSA vice-president and a Communist Party member, said afterwards there was "no chance" of the split being healed.

Broad Left '84, the new group, would win a majority in next year's executive elections, Mr Alderson predicted, because the group had already shown itself capable of attracting supporters who previously were deterred by Militant's involvement.

Pit return slows to a trickle

BY JOHN LLOYD, INDUSTRIAL EDITOR

WORKING MINERS IN NCB AREAS ON DECEMBER 7, 1984					
Area	"New faces"	Total at work	Total miners*	Per cent working	Per cent on Nov 30
Scotland	6	2,310	10,000	23	22
North-east	1	3,172	20,300	15.6	15
Yorkshire	8	2,853	‡50,000	5.7	5.5
Western	2	†11,102	14,000	79	79
S. Wales	−2	125	19,600	0.6	0.6
Kent	0	106	2,200	4.8	5
Midlends					
N. Derby	19	4,560	10,500	43	42

Notts, S. Derby, Leicestershire and Warwickshire all have at least 90 per cent of miners at work.

* Approx. † Three shifts on Dec 6. ‡ Corrected by NCB from previous figures of 53,000

Source: NCB

THE "DRIFT BACK" to work has returned to a trickle: in a few areas such as Kent and South Wales a "negative drift back," or "trickle back to strike," has become apparent.

Officials of the National Coal Board in all regions speak of reaching a plateau which they believe will remain evident until after Christmas. What will happen then is not clear: it is assumed that, if the stalemate continues and no talks are in the offing, the two-thirds of the miners who remain on strike will despair and the drift back will speed up again.

November, in which about 15,000 miners returned to work, took the board by surprise. This gave rise to exaggerated hopes, especially in the Government, that the strike was over and that the aftermath remained the only concern.

Instead, it seems that the combination of a large cash offer of *£600-plus—still available*, but now only payable after Christmas—and despair that talks had broken down persuaded many to go back, but not the majority in the main strike areas.

The Board tomorrow will launch a double-page advertising campaign in some Sunday newspapers, designed to persuade striking miners that their action is futile. One page is devoted to a list of collieries where no men are working—only 27 out of 174, of which 21 are in South Wales. Beneath the list is a quotation from Mr *Arthur Scargill*, the president of the National Union of Mineworkers: "The coal strike is *solid*."

On the facing page is a longer list of pits where men are working, divided into pits producing coal and those which are not. Beneath is the same quotation with a question mark added.

It is as legitimate a shot in the propaganda war as any other. However, as both the board and miners know, many of the pits where miners are at work can boast only a handful, who can do little "work." In many pits where substantial numbers of miners have returned the continued refusal of pit deputies to cross miners' picket lines means that no underground production can begin.

There is slight evidence that the striking miners are having some success in bringing miners back out on strike. NCB figures suggest that as many as 200 may have joined the strike in November.

Many activists and mineworkers' officials say that once the working miners have collected their Christmas bonus—after four weeks' work—they will rejoin the strike. That is unlikely to be widespread but it could be significant for the strikers' morale.

NUM elections fail to boost moderates

BY DAVID GOODHART, LABOUR STAFF

GOVERNMENT hopes that a generation of ultra-moderate NUM activists will sweep to power after the strike appear to be undermined by recent pit-level elections.

Only the working Nottinghamshire area has gone ahead with the full schedule of branch elections and many right-wingers took over from left-wingers. However, many of these officials have recently stressed their distance from the National Working Miners' Committee.

At this week's annual general meeting of the Lea Hall colliery in Staffordshire, where nearly 90 per cent of the 2,000 men are working, striking miners took all posts up for election. Although strikers outnumbered workers at the meeting by about 100 to 70, a few working miners are said to have voted for strikers.

Working miners at Lea Hall still dominate many key branch posts voted on at the previous meeting inside the colliery and thus not attended by strikers. But Mr Tony Morris, Lea Hall branch secretary and a leading figure in the National Working Miners' Committee, admitted he was disappointed with the apathy shown by working miners.

In partly working areas such as North Derbyshire—where 43 per cent are working—Left-wing NUM activists accept that many are likely to lose their posts in an "anti-Scargill" backlash when the first branch elections are held after the strike.

They say, however, that hard-line anti-strike leaders will not, except in a few exceptional cases, replace them.

In many partly working pits in North Derbyshire, Lancashire and Yorkshire there have been informal votes among returning miners to elect temporary representatives to form a liaison with management. A wide variety of "new" and "old" activists has been elected.

There has also been attempts to set up local branches of the National Working Miners' Committee. At Warsop Main, in North Derbyshire, however, only 60 people out of a possible 700 participated in the election.

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THE WEEK IN THE MARKETS

Spectacular start to Telecom

LONDON

ONLOOKER

British Telecom's spectacular debut on the Stock Exchange left even the most optimistic of stags dumbfounded. The 50p partly paid shares opened up on Monday afternoon at a 45p premium and at one point touched a price of 97p before settlnig back to the low nineties and high eighties.

British institutions, which were left desperately underweight in the share allocation of the £3.9bn offer, were scrambling to buy shares while investors in New York and Tokyo provided a ready supply. Turnover in Telecom's American Depository Receipts set a first day record on Wall Street with dealings involving 164m of the 180m shares allotted to U.S. investors. Japanese investors proved equally willing to part company with the British utility.

In the UK small investors who had come out in their scribe for the biggest share sale hundreds of thousands to subever were mainly sitting on the sidelines awaiting their acceptance letters which will be posted next Monday. Once those have landed on the door mats up and down the country brokers can anticipate being swmaped by a host of small selling orders. It should be a nice Christmas bonus for many a family—good news for teh stores and drinks sector perhaps.

The general euphoria which surrounded Telecom pumped up the FT All-Share Index to a new high of 571.94 on Monday—a 2.1 per cent rise on the the market settled back and day. But once that had passed gently drifted lower over the next three days on a limited amount of dealing. But by yesterday the mood was brighter; the Chancellor's statement that tax cuts remain a top priority helped sentiment as did a late overnight recovery on Wall Street.

Trafalgar House

As blurred as they are by acquisitions and disposals throughout the year, Trafalgar Houses's figures shape up into quite an impressive set of full year results. Pre-tax, Trafalgar £79.03m to £113.15m. Admit- is ahead by 43 per cent from tedly the maiden contribution from its rapidly developing oil and gas interests provided the lion's share of the growth with a £31.37m profit before interest but with the acid test of earnings per share showing an increase of a quarter shareholders can hardly claim that Trafalgar is buying its profits growth with little regard to the

During 1983-84 the group spent £80m on building its oil and gas operations, initially buying a one per cent stake in the Forties Field and later acquiring Candecca, which brought in a further half point interest in the North Sea field. That original investment is in the full year figures with a fifteen month contribution while Candecca is consolidated for just nine months.

Oil and gas are set to become increasingly important to Trafalgar over the next few years if Sir Nigel Broackes' plans come to fruition. As well as developing further interests in the North Sea, he ia looking to purchase additional production reserves in the U.S. either by buying acreage or taking on board other companies by acquisition.

The plans are ambitious. Trafalgar has already earmarked £100m to be spent on spreading its oil and gas empire this year in oddition to the £48m cost of rebuilding the Atlantic Conveyor. And it does not stop there, the directors are cootemplating an engine replacement for the QE2 which could run up a bill of £60m or so. Still, if the capital spending budgets are expansive Trafalgar has the wherewithal to see them through. The basic businesses are cash generating and borrowings of £90m are equal to under 30 per cent of shareholders' funds while the sale of the Plumtree Court Development in London should provide a useful profit.

Acquisltions aside the oil and gas operations look capable of further growth this year, shipping should show some recovery—cruise bookings are expected to rise and presumably there will not be a dock strike this time round—and the property division will benefit from a full 12 months from Comben. Overall full-year profits could top £130m, dropping the prospective earnings multiple by a point to arouod 9. Despite the strong rise in the share price over the past year, as shown by the graph, the rating remains surprisingly modest.

Remarkable Hanson

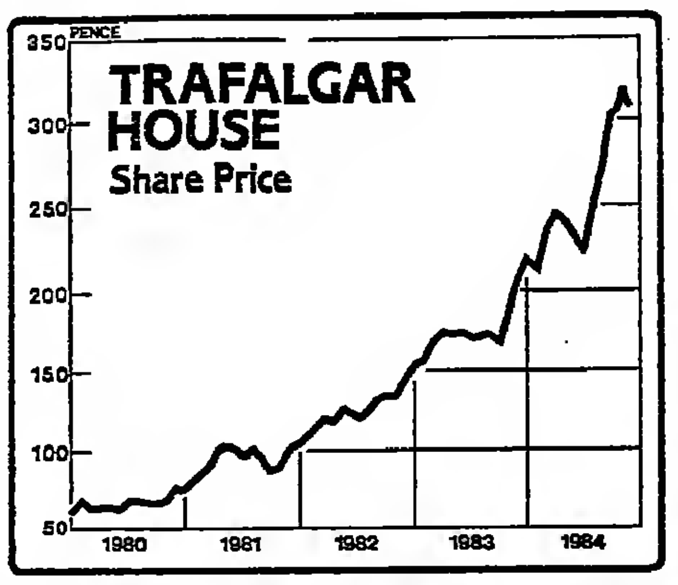
If Trafalgar House's performance looks impressive then Hanson Trust's full year outcome must rate as remarkable. From its assembled low technology activities Hanson has pushed pre-tax profits to a peak £169.1m, a 86 per cent increase over the previous year's £91.1m. Earnings per share are up 70 per cent and shareholders are rewarded with a 50 per cent increase in the dividend payout. Little wooder that the group's share price stands within a whisker of its all time high valuing the group at £1.83bn—not bad going for a company only 21 years old.

As with Trafalgar, the figures are inflated by acquisitions. Hanson made two major purchases last year—London Brick for £247m and U.S. Industries for £384m. The brick maker is in the group results with a seven-month contribution and tha American conglomerate pumps in just five months of earnings. After financing costs each one added around £10m to the pre-tax figure and there is a further £10m of group profit which can be attributed solely to currency translation benefits. That still leaves a £48m advance from Hanson's existing operations which is good going in anybody's books.

Each of the five British operating divisions has improved on its operating margins with bricks and batteries proving the best of the buncb. British Ever Ready, which was acquired at the beginning of 1983, increased its profits from £20.5m to £31.9m despite a £13m in total sales. That represents an increasing in trading margins of 8.5 points to 20.8 per cent. Impressive indeed, but Ever Ready's advance is perhaps not that surprising. Generally it is Hanson's newest acquisitions that provide much of the profits growth as the Hanson men weave their managemeot ssytems into the new subsidiaries.

So to keep up the momentum Hanson has to continue buyiog other less well run companies. But that thought hardly ranks as a criticism. There must be plenty of sleepy businesses both sides of the Atlantic that could benefit from the Hanson touch. And it looks as if the group is getting ready for another acquisition.

The shares have seen a very good rise this year (which must be excelleot news for those who can benefit from the management's share option scheme) but they have not run out of steam yet. A prospective earnings multiple of around 11, assuming around £220m for this year, is not exaotly over-reaching itself.



£53m for Johnson

Nottingham Manufacturing has produced a higher, and final, offer for Johnson Croup Cleaners. The textiles group has raised its bid by 30p a share to 440p valuiog the group at £53.2m. Unless another bidder steps into the ring at this late stage the pendulum must be swinging in favour of Nottingham winning control of the dry cleaning company.

All things considered this latest offer for Johnson seems a fair enough price and should Nottingham's attack fail Johnson's price will almost certainly slip back. There seems little reason for Johnsoo solders to cling to the company's indepeodence. The market's view seemed fairly obvious judging by the immediate reaction of Johnson's share price to the iocreased offer—it fell 10p to 440p, right in line with the bid and allowing Nottingham to pick up loose shares in the market.

The main plank of the defence throughout the battle has been the value of its property portfolio—on a sale and leaseback valuation Johnson puts a worth of £42m on its shop windows. The other side, of course, argues that the true value of the group is somewhat lower than the defence would have it. Nottingham believes that net asset value, after deducting all the liabilities it can think of, is only a whisper over £40m. That seems pitched a little pessimistically and the bidder's assertion that it is offering a large premium over the asset value is stretching a point. Profitability, however, might seem more relevant and there Johnson does not score very well.

It has already forecast that profits for 1984 will slip from £6.3m to £6.1m but that has not prevented the directors from predicting a 50 per ceot rise in the dividend payout if shareholders remain loyal. Presumably this rather curious divideod hike can be justified by the considerable trading improvement Johnson is expecting in the first half of 1985 once the U.S. operations start churning in some profits. Profits in the six months to June 1985 are expected to rise by 37 per cent, indicating a profit of £7.1m pretax for the twelve months to the middle of next year.

That level of profit would be a twelve month record by a good margio and the promise of better things to come—Johnson's record is hardly inspiring —might just convince some shareholders to stick with the company. It is interesting, though, that over a tenth of Johnson's employee shareholders are willing to see Johnson under new management and have accepted the offer. There could be a message there for outside shareholders.

A first for GEC

Three years ago the Government cleared the path of obstacles to enable companies to buy in their own shares. But until this week major British companies had displayed little ambition to go down that route.

But GEC, with its famous cash mountain, is leading the way to changing attitudes. Once its half time figures were out of the way on Tuesday the mighty electrical and engineering group sent its stockbrokers into the market to buy in its own paper.

In all brokers de Zoete and Bevan culled 35m shares—it was believed that GEC had set itself a target of 40m—representing a little over 1 per cent of the ordinary share capital at a cost of around £80m. It sounds a lot but it hardly dents GEC's bank balance which stood at £1.64bn on the last count.

GEC has been looking at ways to return cash to its shareholders for many a long day (when it wasn't busy running a slide rule over the likes of British Aerospace) and last September it obtained shareholder authority to buy up to 250m shares. It had to wait, however, till the market had caught sight of the half year figures before it could move

Not that the purchases this week are going to make the world of difference to the shape of GEC. The £80m it has spent stands in the context of a £121m increase in its cash balances in the last six months alone. Still, that it has finally stepped into the market as a buyer is encouraging and may just prompt other companies to follow suit.

If GEC can gross a 10 per cent return on its UK investments then it is foregoiog 22.8p of income for every share it has bought at 228p this week. Net that down and it is giving up about 12.5p, comfortably below last year's earnings per share of 14.2p and so, in theory, giving an immediate boost to attributable earnings per share.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984 High	1984 Low	
FT Ord. Index	923.0	+ 5.7	929.2	755.3	BT debut consumes interest
Argyll Group	248	+23	248	144	Good interim results
Atkins Bros. (Hosiery)	102	−19	155	80	Warning on profit margins
Bath & Portland	265	−19	286	145	Awaiting bid developments
Beauford	71	+14	80	52	Press comment
British Telecom	92½	+42½†	97	88	Premium exceeds expectations
Burgess Products	81	+15	83	46	Capital proposals
CPU Computers	80	−32	230	80	Dull computer stocks
Cape Inds.	36	−22	118	34	Losses/plant closure
Charter Consolidated	173	−20	262	165	Cape Inds./Matthey problems
Early's of Witney	55	+14	58	30	Clayhithe acquire 30.6%
Geevor Tin	190	−22	215	138	Disappointing int. results
Hartwells	89	+15	93	54	Speculative demand
Latham (J.)	290	+37	290	185	Interim results due Wednesday
Midland Bank	363	+21	427	275	BP bid rumours
Oliver Prospecting	180	−25	235	60	Profit-taking
Osceola Hydrocarbons	120	+55	200	60	Joins N. Sea bidding group
Reed Stenhouse	£10⅛	+ 1⅞	£13	620	Merger with Alex. & Alex.
Vinten	200	−26	324	196	Poor interim figures

† Based on 50p partly-paid issue price

Under a cloud . . .

NEW YORK

TERRY DODSWORTH

WALL STREET has not had very much news to cheer it up this week. It is still morosely pondering the consequences of possible tax changes, however long-distant, and worrying frantically about the general direction of the economy at a time when Washington is gearing itself up for one of its ferociously contorted budget battles. And as if that were not enough, it has been hit by the Union Carbide gas leak disaster in India.

As the story of the catastropha unfolded in all its dimensions over the week, the company has come under increasing pressure on the stock market. Late on Thursday afternoon, the strength of the tide running against it pushed it into issuing a statement saying that it would not be forced to file for protection from its creditors under the Chapter 11 Federal bankruptcy proceedings. By that time, its shares had lost $10¼ since the previous Friday close, and the company's market value had been cut to $2.7bn against its book value of around $4.9bn.

The questions that are hanging over Union Carbide—is it to be sued for punitive damages, whether its U.S. or its Indian company is responsible for the catastrophe, and the extent of its insurance cover—will take weeks to answer. But investors, mindful of the recent precedents in liability cases, have dashed for safety. At the same time, they have cast a cloud over the pesticides industry, knocking back Monsanto stock in particular by $¾ to $41¼ on Thursday.

All this has affected the market, and more specifically the Dow Jones Industrial Average, of which Union Carbide, the U.S.'s third largest chemicals group, is a constituent stock. By Thursday evening, the DJIA had lost another 18 points this week, bringing the total fall in the index since President Reagan was elected for a second term five weks ago to around 75 points. Just abolt a year ago, the index hit its record high of 1287.20. So much for victory.

The DJIA was not helped either by what were generally regarded as puzzling figures on the U.S. motor industryl's sales performance in the last 10 days of November. These showed that shipments fell in the period by 14.2 per cent compared to a year ago, and tha market's immediate response was to lop several dollars off both GM's and Ford's share price. Up to now, the one consumer sector which has continued to show unequivocal buoyancy throughout the autumn slowdown in the economy has been vehicle sales. If the car market is also softening markedly, it will undoubtedly reinforce the bearish arguments about the possibility of a recession next year.

These preoccupations are now rivetting attention on the pre-Christmas sales period. There are plenty of economists on Wall Street who believe that these will be strong, and that talk of a recession is unnecessarily alarmist: the economy, they say, ia simply passing through a period of de-acceleration during which it inevitably gives out contrary signals.

Meanwhile, the Wall Street predators are not letting a few worries about the economy distract them from their games of Pac-man. As the market had confidently expected once the Presidential election was out of the way, Mr T Booue Pickers, the Texan oilman who has made himself into a aelf-appointed rationaliser of the industry, moved in for the kill on yet another of the oil industry's old guard.

Many speculators, however, had guessed wrong on his target — Phillips Petroleum, Mr Pickeus' former company when he was just an ambitious young oilman, rather than the hot favourite of Mobil. Predictably, Mobil shares fell on the news—down by $1 to $27¼ on Thursday, while Phillips gained $5¼ to $53¼ against Mr Pickens' planned offer price of $60 a share. Trading in the stock shot through the 7.6m mark on Wednesday, not far away from last year's record of 9m set by AT & T, but since last week easily dwarfed by the 16m at British Telecommunications.

Further excitement has stirred this week around ITT, the telecommunications group, as it, too, has swung into the sights of the takeover specialists. Mr Irwin Jacobs, the Minneapolis investor who has made some handsome financial killings without actually taking over many of the companies he has threatened, this week emerged as a possible danger to the telecommunications conglomerate.

ITT has been deconglomerating on its own volition over the past year or so, but it could now be facing a forced march to the divorce courts, if Mr Jacobs can raise the ante. That still looks a problem given the size of ITT, but even to breathe the possibility says a lot about an environment which gives such large debt-raising capabilities to entrepreneurs like Mr Pickens and Mr Jacobs—to say nothing of a situation in which ITT, once the most dangerous shark on Wall Street, should now be pushed onto the defensive.

MONDAY	1182.42	− 6.52
TUESDAY	1185.07	+ 2.65
WEDNESDAY	1171.60	−13.47
THURSDAY	1170.49	− 1.11

A big test is yet to come

Unlisted Securities Market

THE USM received a hearty slap on the back this week from two of its closest observers.

But their accolades for the junior market's vitality were also tinged wilh caution both about the problems faced by private investors in the USM and about its untested ability to survive a severe bear phase.

Stockbrokers Hoare Govett and their rivals Grieveson Grant both agree in their latest USM publications with the conventional wisdom that the market has never looked more soundly based as a provider of equity capital and a nursery for young companies.

"We consider the USM's position within the developing structure of London's capital markets as both vital and assured," observes Hoare Govett in its newly published annual directory of USM companies.

At the same time, it warns: "The USM withstood the sharp setback to the main market earlier this year, but it has to be recognised that a big test is yet to come. Prices will suffer in such a scenario and it may be that this reaction will be of the 'spasm' variety affecting both good and bad."

Related to this risk is the "almost infinite" demand for some of the more narrowly marketed stocks, especially those which have a fashionable appeal, like Acorn Computer Group in its early days on the USM, Pineapple Dance Studios or the casino operator, Aspinall Holdings.

"The pursuit of 'concept' in share price assessment is no doubt important, but it should not be at the expense of realistic balance sheet appraisal. Fashions and perceptions can and do change," says Hoare Govett.

A sobering example of that moral was in fact provided this week by Acorn Computer, which had already received a savage share price downrating in the summer. Its shares slipped 19p to 61p—where they have almost halved in value since Acorn joined the USM in October last year—following the group's announcement that it was pulling out of the U.S. market because of poor sales. At that price, Acorn is valned at £68.5m and loses its former position as the USMs biggest company to Saxon Oil, currently capitalised at close on £90m.

Quite apart from the volatility of some of the USM's constituents—which in any case is a predictable element of the rough and tumble of the USM investment game — smaller players face two key problems.

They find it hard to get a stake in new issues before dealings start, thereby automatically foregoing the premium built into most flotations. And even if they do succeed, they are more likely to be asked to dig into their pockets for subsequent rights issues than they will be on the full market. Almost a quarter of the grand total of £607m raised by USM companies since the market opened four years ago came from rights issues.

Hoare Govett reckons that 62 per cent of the USM's companies joined the market via a share placing, in which three-quarters of the shares on offer are privately distributed among institutions,

Another 14 per cent of USM compaeins have joined through an oer for fisale or tender offer, in which small investors theoretically receive equal treatment, although it is in practice up to the new issue sponsors to decide who gets what.

Grieveson Grant takes up small investors' plight in more detail. They tend to be "forced to enter the secondary market (after dealinga have started) in order to acquire stock and are faced with the prospect of either paying over the odds because of the imbalance between supply and demand, or foregoing the opportunity to invest," says the firm.

William Dawkins

Unseasonably sobering

SHAREHOLDERS IN Intervision Video, the video tape distributor set up four years ago hy the controversial John Bentley, should prepare themselves for an unseasonably sobering anoual general meeting on Thursday week

Old hands will recall having run into a spot of bother ooce or twice in the past — aod this time, Jarvis Astaire, the newly appointed chairman, is warning of "substantial losses" for the year just ended.

The writing has been on the wall for some time for Intervision's traditiooal trade selling video tapes to specialist shops. Taxable profits slumped from £420,000 to just £65,000 in the six months to last December as an iocreasing number of Intervision's customers went out of business in a saturated market.

The USM, which has seen not a few one-product companies go that way before, was comparatively unruffled by the announcement, and sent that share price down 1p to 9p, where the company is capitalised just beneath its par value at £2.4m. All the same, investors who bought Intervision shares when they were quoted at 55p on its introduction to the USM last year have had a precipitous ride.

Beyond hinting about write-downs on Intervision's tape and film collection, Astaire is not prepared to reveal the extent of the damage at this stage. But he does suggest that profits could be on the cards in 1985 thanks to a recently completed joint venture with CBS/Fox Video, whereby Intervision has a 50 per cent share in an operation leasing racks of videos to multiple retailers, off-licences and other non-specialist outlets.

"We are signing contracts for new outlets every single day," claims Astaire.

Intervision has mada and missed ambitious forecasts before. But its followers suggest that Astaire has a more professional grasp of the leisure trade than some of his predecessors on the board, having cut his teeth pioneering large-screen, close-circuit television of sporting events during the 1960s.

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MINING

YOUR SAVINGS AND INVESTMENTS

Turning the OFS into a supermine

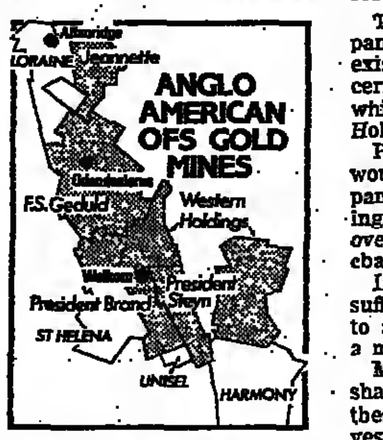
BY KENNETH MARSTON

IT IS quite simple, really. All you have to do is to merge the neighbouring gold mines in South Africa's Orange Free State and then run them as one operation.

The result will be the world's biggest single gold mining complex which, on the basis of the combined prodnction of the existing separate mines, would produce some 116 tonnes of gold a year—over 10 per cent of the non-Communist world total.

That is what Anglo American Corporation is proposing to do with its OFS mines and the companies thta will be affected are: Free State Gednld, President Brand, President Steyn, Welkom and Western Holdings.

Why? The answer is that the various mines are getting past prime in terms of gold ore grades but they still have hnge combined ore reserves of some 294m tonnes. The average grade



of 6 grammes gold per tonne is on the lo wside for such deep mines, but at today's gold prices and working cost levels the ore is still very profitable to mine.

While it is not possible to forecast the future gold price, it is pretty safe to assume that working costs will continue to rise. A supermine, however, should be able to get these costs down with the economies of large-scale working and this should also extend the lives of the combined mines, possibly by several years into the next century.

In due course Anglo might bring into the scheme the long dormant property of Jeannette Gold Mines, a company which may be something of a mystery to younher readers. The older hands will recall that Jeannette was the one big disappolntment of the OFS.

The otherwise exciting goldfield was the first to be discovered in South Africa after the last war. Harry Oppenheimer beaded the team which developed the other Anglo mines there and they reached full production in the 1950s. Jeannette never did.

After a great deal of effort and spending to the point at which two shafts were put down, it was found that Jeannette's ore grades did not live up to the promise of earlier drilling and to make matters worse difficult mining conditions were encountered.

The mine was abandoned in 1955 and the shares of Jeannette were never publicly floated. They are still held by the Anglo group companies, notably Anglo American Gold Investment (Amgold).

Perhaps, too, there may be a case for a closer association with the other gold mines in the area. For instance the Anglovaal group's Loraine mine at the northern end of the OFS and, coming south, there are the St Helena and Unisel mines of Gencor and to the east the big Harmony property of the Barlow Rand group.

But let's not rush things. The plan is still at an embryo stage and, for one thing, South Africa's Minister of Finance has made it clear that he will not be too happy tf the consolidation scheme involves tax savings for the companies. Anglo, however, denies that this is the intention.

Nor do we know bow the scheme is to be implemented. It could be that one company, say, Western Holdings, will acquire the mining assets of the others in exchange for its shares.

This would allow the companies to retain their separate existence as investment concerns as in the case of Welkom which sold its mine to Western Holdings in 1981.

Perhaps a tidier alternative would be to set up a new company—Free State Gold Holdings?—which would then take over the others on a share exchange basis.

If so, it is to be hoped that sufficient shares would be issued to allow the newcomer to have a manageable sbare price.

Most South African gold shares are far too beavily priced these days for the smaller investor. Few companies seem to be interested in doing anything ahou tthis with the notable exception of Harteebeestfontein which earlier this year split each of its 100 cents par value sbares into 10 shares of 10 cents par value.

● From Pendeen, near Penzance in Cornwall, Geevor Tin Mines has reported a disappolnting first half to its current financial year to next March. Despife a maintained output of tin in concentrates and a rise in the sterling price of the metal, the company's earnings for the period have dropped to £178,000 from £521,000 a year ago.

Because of a fall in the tin content of the ore treated, a record throughput produced only a marginal increase in tin production to 462 tonnes and the timing of shipments resulted in 12 tonnes not being sold during the period.

In order to protect itself from any fall in the metal price Geevor made forward sales and thus did not obtain the benefit of the subsequent rise in prices. Tax, depreciation and exploration charges increased. But the interim has been held at 4p and the chances are that earnings may improve in the second half. A final of 8p was paid for 1983-84.

● In Zimbabwe, Wankie Colliery seems likely to return to the dividend list in the current year to February 28. Thanks to increased export sales, some of which are not expected to recur, profits for the first half have improved to Z$2.11m (£1.21m) from only Z$664,000 a year ago.

Furthermore, the tatest earnings are after sharply higher depreciation and interest

Your MP and the taxman

As a trustee of my daughter's marriage settlement I have submitted accounts to the Inland Revenue for the past 18 years. In November 1983 I received revised assessments against whicb I promptly appealed on the following grounds.

1977-78 CGT assessment was excessive; also I considered assessments should be cancelled in view of Extra Statutory Concession A19. I received two to three weeks later their agreement to postponc payment of all assessments. Over the tast eight years capital bas been transferred by the Trustees to help with payments of school fees for three children, and the settlement's only asset is just nver £100 retained for payment of I.T. and CGT for 1983-84. As sole trustee am I personally tiable for tax on the Trust? Does the extra statutory concession mentioned above not appty to Trusts? If I am held personally responsible for taxes assessed should not this concession apply to me as an individnal? Wonld not the 1977-78 assessment when revised in the correct figure he time exptred? I am now retired and my income is quite small, certainly well below the figure on which the concession would apply in full.

We recommend that you write to your MP, explaining the facts briefly (and enclosing copies of the correspondence that you have kept), with a request that the matter be referred to the Ombudsman (the Parliamentary Commissioner for Administration). The House of Commons postcode is SW1A 0AA.

At the same time, tell your Tax Office that you are submitting a complaint of maladministration to the Parliamentary Commissioner, and that consequently your appeals stand.

A way through the words

Conld yon please give me your opinion as to the way in which the revenne applies to provisions of S30 TA 1970. The wording of the section seems to apply to any fixed interest tnvestment bnt in practice does the revenue differentiate between investments not at risk eg. Treasury hills and those on which a loss may be incurred because of the risk of a fall in the market eg. Government stocks.

Section 30 cannot apply to Treasury bills, because discount realised upon the sale of Treasury bills is chargeable to income tax, under case III (b) of schednle D, in the same way as the discount realised by holding them to maturity.

Section 30 does not normally apply to UK registered shares (bought and sold through the Stock Exchaoge) unless stamp duty has been avoided, eg. by transactions within an account. Apart from that major exclusion, the scope of section 30 is much wider than you appear to realise.

In whom can I put my trust?

Is there any reason wby a small family trust (which I bave come to administer) sbould not re-invest its funds into unit trusts, rather than gilt-edged or ordinary stock, in order to minimise management expenses? I am thinking of tegal rather than investment considerations.

Investments should be made in compliance with the provisions of the Trustee Investment Act 1961 unless the trust instrument expressly provides for a wider power of iovestment; in which case the terms of the express power must be observed. Up to half the fund may be invested in unit trusts if the 1961 Act applies.

Tax relief and Schedules E & D

I am employed as an area manager. My boss reckons I can claim for my wife belping me in my job, e.g. answering the 'pbone, ringing enstomers, typing, etc.
He suggests I pay her a wage from my salary and claim tax relief.
I also nse one complete room at home for my job, beat, llght, etc and have purchased office equipment.

No tax relief would be obtainable under the notoriously narrow expenses rules of schedule E, unfortunately. Your employer seems to be confusing schedule E with schedule D.
Relief may possibly be due for tbe expenses (and capital expenditure) meotiooed but we cannot be sure from the bare facts outlined. If you have not already done so, explain the position to your tax inspector.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Shares in a private company

If I resign my directorship in a private limited company will it he necessary for me to forfeit the shares allocated to me some years ago?

You should not forfeit the shares; but the articles of association of the company, as well as any contract you may have with the company should be examined to ascertaio whether a new director, or existing other directors, may have a call option on your shares.

The affairs of my aunt

My aunt died in March 1983, and I am tbe sole executor. Her estate of abont £35,000 inclnded a few chief rents. Her affairs were in good order, her income tax having been dealt with by her bank for some years, and tbere were no ontstanding bills of any size. After some small bequests, the residue was divided between three main beneficiaries.
At my insistence tbe bnlk of her estate was distribnted in January 1984. The sollcitors retained £500 against possible tax or other liabilities, and suggested at this time that they try to dispose of the chief rents, to which I agreed.
As far as I can gather, no progress has been made since. I am getting only vagne replies to my telephone queries, and nothing in writing. I consider this to be unsatisfactory and feel it is time the estate was settled. How should I proceed, particularly with regard to the chief rents, so that tbe solicitors take some action and bring the matter to a conclusion in the near future?

You can insist that a sale of the chief rents is effected. If necessary terminate the retainer of the solicitors currently acting, and instruct others. You can yourself instruct agents to sell the rents.

Tax relief on endowments

I bave two life insurance endowment poticies which I took out many years ago. At the same time, the comhined premiums were in excess of £1,500 per annum hut tess than one sixth of my normal salary. What would happen if my employment circumstances ebanged and my income was such that the combined preminms were in excess of one sixth of it? Does nothing ebange and I go on receiving tax relief on the full preminms? Do I lose tax relief on the difference between the combined preminms and £1,500? Do I lose tax relief on the premiums associated with the policy I took out nearest to the present date?
I would be grateful for your guidance as I am considering taking a less arduous job with a lower Income.

If your total income, before personal reliefs, (by virtue of section 34 (3) of the Finance Act 1971) falls below £9,000, you will lose the 15% relief on the difference between the combined premiums and one-sixth of your income. The loss of relief may he put into effect either by clawback (in assessments and PAYE codings) or by requiring you to pay some premiums in full (whichever premiums are most convenient, regardless of the dates of the policies).

SAVINGS OFFERS

YOUR SAVINGS AND INVESTMENTS

Problems of selling Telecom shares

THE UPSURGE in the price of British Telecom shares dealings started on Monday have made it tempting for successful applicants to sell out immediately and take their profits.

Investors who have bought shares for the first time, however, have not found it so easy to cash in their stakes. Most established City stockbrokers have been unwilling to sell BT shares for callers who are not regular clients of theirs—or can prove ownership of the shares.

As no allotment letters for BT shares are to be sent out to applicants before Monday, proof of ownership is no easy matter.

Few small investors who have applied for BT shares have any cause for worry that they will not receive their shares in accordance with the allocation rules published at the start of the week. Those who applied for between 200 and 400 shares will have their applications met in full. Those who applied for between 400 and 100,000 shares *will receive only a proportion* of the shares they asked for, up to a maximm of 800 shares. Applicants for more than 100,000 shares will receive nothing.

The only worry may be that you may not have filled in your application form correctly. *However, if your bank tells you* that the cheque you sent off with your application has been cashed in, you can be certain that you made no blunders on your application form.

The only investors whose cheques have been presented who may *not* receive their allocations of shares are those who are suspected of making multiple applications.

However, Kleinwort Benson, the merchant bank *which has* been selling the BT shares on behalf of the Government, has said that it will reject applications only where there is clear-cut evidence that an individual has been making more than one application for himself.

If, however, you were to sell shares you had not been allocated at the issue price, you would be obliged to buy back the shares you have sold at the price then prevailing in the market. If by that time the share price has risen you will suffer a loss.

Most stockbrokers are not willing to accept an investor's word that he has filled in his application form correctly or even that he has had his cheque cleared. Even stockbrokers like Hoare Govett, which are specifically mentioned *in the BT* prospectus as being willing to sell BT shares under for small investors, are not prepared to deal for non-clients or investors whose application forms they have not vetted.

One exception is stockbrokers Quilter Goodison, of 31-45 Gresham Street, London EC2, which is willing to sell shares on behalf of a non-client in return for a letter of indemnity.

Even fewer formalities are required by the non-stockbroking firms which are dealing in BT shares "over the counter" for clients. Harvard Securities, Hill Woolgar and Ravendale are three London-based firms which this week have been advertising their services on a "commission-free" basis.

As the stockbrokers that are the official "regional co-ordinators" are charging 1.7 per cent of the value of the underlying shares (and not less than £5.75) for selling them, their offer *may seem attractive.*

But in fact their charges appear in a different form—that of a spread between the buying price for BT shares and the selling price. Official stockbrokers dealing on your behalf are also quoted a spread between the buying and selling *price by the* jobbers on the Stock Exchange. But the spread quoted by jobbers is generally much less than that quoted by the over-the-counter firms.

For example, at 11 am on Thursday, the jobbers on the Stock Exchange were quoting a spread of 88 to 88½ (or 88¼) on *BT* shares. Harvard Securities was quoting a spread of 86½ to 90, Hill Woolgar 86 to 88 and Ravendale 86 to 89.

Nevertheless, these prices would still have given a slight advantage to those selling through an OTC dealer. If you had been selling 400 shares through a stockbroker, you would have received £343.85. Through Hill Willgar and Ravendale, you would have received £344 and through Harvard Securities, you would have received £346.

Another advantage of selling through an OTC firm is that it is quite likely to stay open at weekends and in the evenings. Harvard Securities, for example, deals on Saturdays and from 9 am to 9 pm on weekdays.

For investors who wish to remove the specific risks of investing in a single company like BT but retain a more general investment in the stock market through a life assurance policy linked to a unit trust, the mutual life office Clerical and Medical has this week offered an alternative exit route. You may trade in your BT shares in exchange for a unit-linked investment managed by Clerical and Medical in partnership with Fidelity International.

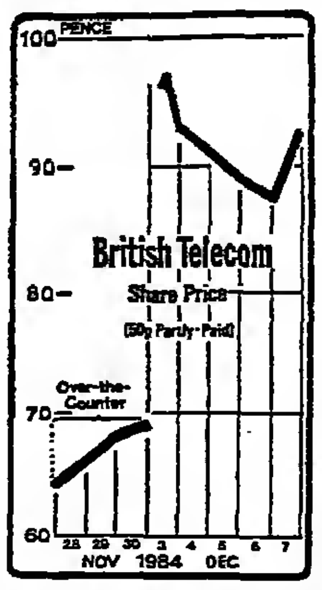
You will be able to sell your shares without any dealing expenses and at the higher buying price quoted by jobbers rather than the selling price. You will, however, have to pay all the commission and other entry costs involved in the purchase of a life assurance policy.

Before you rush to sell your shares, however, you should remember that the telephone vouchers or bonus shares to which you should become entitled still make the total *return from holding BT shares* highly attractive—provided the share price does not fall any further.

If you have gone for the telephone voucher option, you will receive your vouchers if you pay your second instalment for your BT shares and hold on to them until at least June 25 next year. If you have been allocated 400 shares, you will be entitled to two vouchers worth *£36. This means* that the *extra* return from holding on to your shares for another 6½ months will be about 18 per cent tax-free on an annualised basis—provided the share price then is the same as it is now.

But if the fluctuations in the BT share price are already giving you a feeling of anxiety rather than excitement, you may be wiser to sell and take your profits now. It will only take a *fall* of 9p in the share price to wipe out the benefits of receiving vouchers.

Clive Wolman



Lump sums threatened

Eric Short considers the merits of capitalising on slightly early retirement

SPECULATION IS now rife that Nigel Lawson, the Chancellor, will attack the tax-free lump sums payable on retirement in his next Budget.

Such a move is difficult to criticise on rational grounds. There is no logic in allowing a taxable pension to be converted into a tax-free lump sum payment, as now happens.

Never the less, it appears that most employees in occupational pension schemes prize this capital sum so highly that many of those with retirement approaching, are considering premature retirement to beat the Chancellor.

Pension managers report a flood of enquiries from anxious employees on the subject. Even the press has been receiving letters from readers asking if they should retire before the Budget.

All that can be done here is to set out the factors an employee needs to consider when making his decision.

The first is to check that the pension scheme allows the employee to retire early on a voluntary basis and take an early pension.

Some pension schemes treat such early retirement as if the employee had changed his job. The employee is then entitled only to a deferred pension, payable from his normal retirement date. This would defeat the whole object of the exercise.

A further pitfall is that, unless the employer is feeling generous, an employee taking early retirement will find his pension benefits reduced. The size of the reduction varies, but common practice is to cut back the accrued pension by 0.33 per cent for each month retirement is advanced.

In the example shown, the employee at 65 would be entitled to a full pension of 30/60ths of £30,000, that is £15,000. *If he leaves six months* early, his pension will be reduced to £14,455.

When it comes to converting *part of that pension into a* cash sum, the Inland Revenue steps in with some complicated conditions. To get the maximum lump sum, which is 1½ times salary, the employee must have done a minimum of 20 years service. Normally, he must also work until the retirement age.

In the table, the employee has done the minimum 20 years. But by going six months early, he has served only 29½ years instead of 30. So instead of a sum of £45,000 his maximum lump sum is 29½/30ths of £45,000 — that is, £44,250.

Employees interested in early retirement should get their own figures from their pensions manager.

There are two political questions that have to be considered:
- Will Nigel Lawson take any action against lump sums?
- If so, how will be do it?

The pensions industry is now mounting a massive lobbying campaign and there are signs of a strong response from back bench MPs.

At the very least, even if the lump sum is to be taxed, there *should be a transitional period* to phase in the changes. In addition, or instead, the Chancellor may exempt part of the lump sum from taxation.

One final point the employee has to consider is whether he can afford to have his cash sum cut back. An employee who has obtained a mortgage or a bank loan in the expectation of repaying it from the cash sum may not be able to afford more than a minor cutback. Thus he may need to play safe by retiring early.

MALE EMPLOYEE EARNING £30,000 WHO AT 65 WILL HAVE 30 YEARS' SERVICE

Pension calculated on 1/60th of final salary for each year of employment

		Retirement at 65 £		Retirement six months early £
Full pension	(30/60ths of £30,000)	15,000	(29½/60ths of £30,000 x0.98)	14,455
Lump sum	(1½x£30,000)	45,000	(29½/30x £45,000)	44,250
Reduced pension		10,000		9,603

'Frightening' number of debtors

George Graham explains where to get free advice when you are in the red

THERE ARE hundreds of groups ready to advise you on what to do with your money, but who will advise you when you have none—when you get into debt?

Mortgage arrears have tripled since 1979, and more than one in every 1,000 people with mortgages is more than 12 months behind in payments. Accounts in arrears with members of the Finance Houses Association leaped from 150,000 in 1979 to 350,000 in 1981.

The Money Advice Association has been formed to help to meet the need for free counselling for people in debt. It aims to increase the amount of money advice available to those in need, and hopes to become a national voice on all money problems affecting consumers.

"The number of people in debt is growing at a frightening rate," says John Ward of the National Consumer Council, who chaired the inaugural meeting of the Money Advice Association. "More and more consumers are simply having to spend more than their wallet will stretch to in order to survive. And once they start falling into arrears, it is very difficult to stop the slide downwards."

John Blamire, who founded the first money advice centre in Birmingham 13 years ago, says many of the problems can be solved by trained advice.

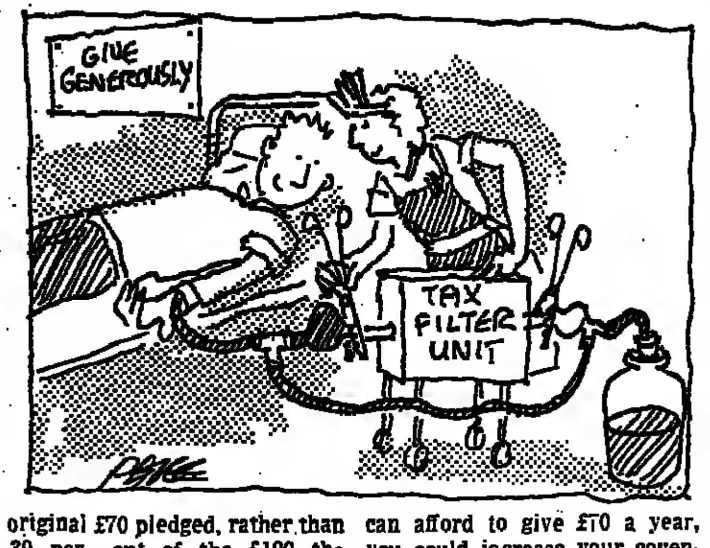
The number of tenants in arrears with rent, for instance, rose by almost half from 1980 to 1982, but many could well be entitled to housing benefit payments. Because of the "sheer complexity of the housing benefit legislation," many are not receiving the payments due to them, says Blamire.

The Money Advice Association can be contacted through the National Consumer Council, 18 Queen Anne's Gate, London SW1H 9AA.

YOUR SAVINGS AND INVESTMENTS

Dina Thomson explains the two-sided benefit of covenants

Charity begins with the taxman



AS THE conspicuous consumption of the Christmas season gets under way, pleas for support from every conceivable charity begin to drop regularly through the letterbox.

Motivated by generosity — or an attempt to assuage the tinge of guilt you feel as you settle down to yet another large meal —you may be tempted to send a cheque to the charity of your choice.

Before you do, consider an alternative which results in more money for your chosen charity and, if you are a high-rate taxpayer, less financial outlay for you.

Dropping a pound note into a charity box may appeal as a personal gesture, but you are not doing the charity a favour if you regularly give large sums in that way. If you give by covenant, the charity can claim back from the Inland Revenue the tax on your donation.

In broad terms, a covenant is a legally enforceable promise to pay a set amount annually for a period of more than three years, and it usually lasts for four. But you can specify a condition on the time frame, such as "until such time as I retire," for example.

The effect of the covenant is that the Inland Revenue treats the money as charity's money, not yours, and the tax relief obtained by the charity boosts the value of your money.

If, for example, you pledge to give Oxfam £70 a year by covenant and you are a 30 per cent basic-rate taxpayer, you have to earn £100 in order to get £70 after tax. You then give the money to Oxfam, which reclaims £30 from the Revenue, making the value of your donation £100 — the amount you earned before tax.

The value of your money to the charity is boosted as well, because the extra £30 represents 42.86 per cent of the original £70 pledged, rather than 30 per cent of the £100 the charity finally receives.

If you are a high-rate taxpayer both you and the charity can benefit further from your donation by covenant. A 60 per cent rate taxpayer who pledges £70 gets additional tax relief on his donation — in this case £30 or 30 per cent of £100.

The £70 from your income still earns the charity an additional £30 at basic rate tax, amounting to £100. But, as a 60 per cent rate taxpayer, you are liable to another 30 per cent (£30) in tax and because you have given the money to charity, the Inland Revenue will repay that £30 to you.

In effect, your £70 donation to charity has cost you £40 and the charity has received £100. You can keep the higher rate tax you receive from the Revenue after you file your tax return, or you can design your covenant to take it into account.

Because of the higher rate tax relief, as a 60 per cent rate taxpayer, you could increase the benefit of your donation to charity even further. If you can afford to give £70 a year, you could increase your covenant by 75 per cent to £122.

It would still cost you only £70 as you would claim a higher rate tax allowance of £52 but with basic rate tax added your charity would receive £175.

At a lower tax rate the advantages to the charity of your giving by covenant are still considerable. The cost of £100 benefit to charity to a 40 per cent rate taxpayer is just £60. Increasing a covenant to £82 will still cost you £70, but will mean £117 for the charity.

To qualify for higher rate tax relief, the gross sum of all that you covenant must not exceed £5,000 in each tax year. The same limit applies to a married couple. If you are married and taxed separately, it is sensible to make sure the higher rate taxpayer signs and pays the covenant.

Donations to charities are subject to tax relief as long as they are done by covenant and the charity is recognised as such by the Inland Revenue, but it need not be registered with the Charity Commissioners.

If you do not want to commit yourself to a single charity for four years, the independent Charities Aid Foundation (CAF) will act as a banking service and enable you to spread your donations as widely as you want while paying by covenant.

Rather than making covenants with several charities, you can make a single covenant with CAF for a minimum of £50 a year for four years. You are committed to the donation as with any covenant, but have flexibility on allocating it.

In return for opening "an account," CAF gives you a book of charity credits similar to a cheque book. When you send a charity a "cheque" it goes to CAF for the money. CAF then recovers tax both for the charity and, if you are a high rate tax-payer, for you.

CAF's founder, the National Council for Voluntary Organisations, receives 3 per cent of the annual income for each covenant, which is used for charitable purposes. CAF reserves the right to retain a maximum of 1 per cent of the gross value of the covenant; at the moment it is waiving that charge.

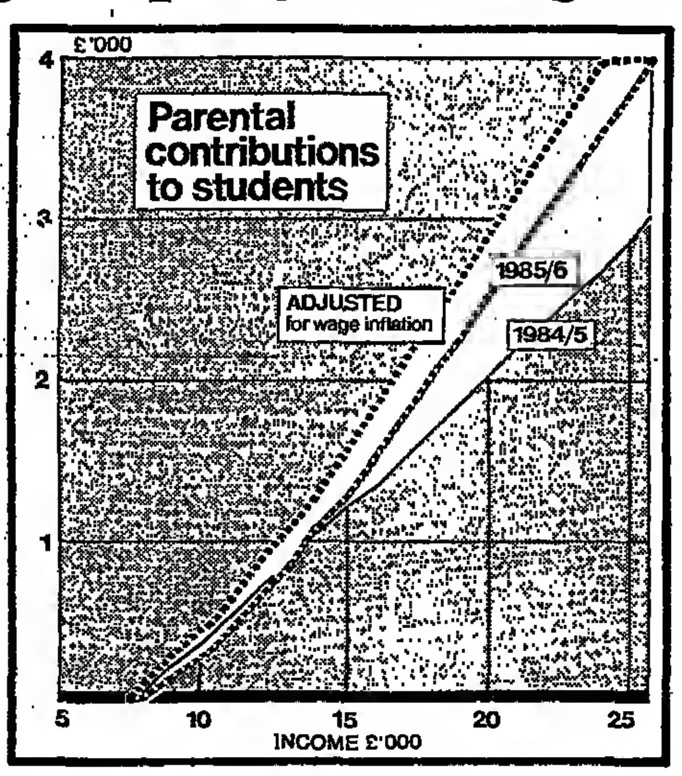
CAF says it can afford not to charge for the service because it covers its administrative costs with the interest it earns on money kept in donors' accounts. About 10,000 individuals and some 1,000 major companies now have deeds of covenant with the foundation.

Other tax-free benefits to charity are also offered by the CAF, such as interest free loans. Money lent to the CAF and invested by it allows the Foundation to use its tax-free status to invest all interest earned for charity while the lender pays tax on the capital alone. One such loan is repayable on seven day's notice.

Further advice on charitable donations, next week.

Parents dig deeper for college education

Clive Wolman looks at ways to spread the financial burden



MANY PARENTS next year will be obliged to make large and increasing contributions to the financing of their children's higher education, despite the partial climbdown on Wednesday by Sir Keith Joseph, Education Secretary.

His concession means that parents will continue to be exempt from paying tuition fees in 1985-86 academic year. But the contributions of parents with above-average incomes to the maintenance of their children at universities and polytechnics are to be increased substantially.

Already in this academic year, such parents have ben obliged to dig deeper into their pockets.

The graph, prepared from figures of the National Union of Students, shows how the contribution level is being altered for parents in the next academic year, if their relevant income remains unchanged and also if it rises by 7.75 per cent in line with forecast average earnings.

The graph assumes that the parents have two children at university and that no other details for calculating contributions are to be altered beyond those already announced.

But there are several steps parents can take to lighten the burden. The objective is to obtain maximum tax relief on contributions without depriving your child of any local authority grant or o the right to claim supplementary benefit during the long summer vacation.

The simplest measure is to covenant to your child regular maintenance payments during his higher education. The legal effect of the covenant is to divert income away from you to your child. This will allow him to reclaim the basic rate tax you have paid on your income — provided he is a non-taxpayer. Thus, a parent covenanting £1,000 a year hands over only £700 to the student, leaving him to claim a tax rebate of £300.

The Inland Revenue supplies standard covenant forms free of charge from the Public Enquiry Room in Somerset House, London (form IR47). But more comprehensive covenant kits with detailed step-by-step instructions can be obtained from Bourke Publishers, PO Box 109, London SW5 9JP (price: £4.50) or from Which?, the Consumers Association, 14 Buckingham Street, London WC2.

The covenant is tax efficient only as long as the student's income in the relevant tax year (April to April) is less than the personal allowance. This figure is £2,005 in the curren tax year but may be raised substantially in next spring's Budget. A student's holiday earnings, supplementary benefit or unemployment payments and investment income, as well as covenant income, must all be included in a calculation of the student's income.

A covenant has a further advantage in that the income thereby given to the student is not taken into account when a local authority is assessing how large a maintenance grant to make the student. This exemption applies provided the student's parent is expected to make a contribution even if the covenanted sum is greater than the required contribution.

There is, however, a danger that covenanted income, even if received by the student only at the start of each term, may be considered by the Department of Health and Social Security as income received throughout the year, including during the summer vacation. Such income may, therefore, reduce the student's entitlement to supplementary benefit during the summer vacation.

The NUS has, on legal advice, proposed a form of wording for a covenant designed to by-pass this problem. This involves dividing the amount covenanted into separate monthly sums excluding the months of the long summer vacation. One possible defect of the standard covenant kits is that they do not incorporate this form of words.

There are other measures parents can take to reduce the burden of supporting a student, even if their child has not yet entered higher education.

One important point to remember is that in the assessment of a parental contribution, it is the income of the parents in the previous tax year that is taken into account. Thus for the academic year 1985-86, the income that matters is that received during the 12 months to April 5 1985.

Parents may thus find it particularly attractive to reduce their investment income during the relevant tax year.

This can be achieved by investing in non-income yielding or low income yielding assets, for example National Savings certificates or low coupon Government "gilt - edged" securities. In particular, index-linked gilts provide a low risk way of saving for a child's higher education as their value will rise more or less in line with the student's cost of living.

But index-linked gilts can provide no security against further changes made by the Government in the way a student's higher education is to be financed. All long-term plans for financing a child's university or polytechnic career could be upset by the long-term review that the Education Secretary is to set up. This is to consider "a radical change in the student support system."

Finding insurance expertise

Paying for advice

MOST, if not all types of life insurance contract are essentially investments, says Professor Jim Gower in his review of investor protection. But how much expertise do insurance brokers have on the investment side of their work.

Financial advice such as tax planning or unit trust selection can be a natural extension of the insurance broker's activities. Capital preservation plans have grown out of Capital Transfer Tax planning, and brokers have in effect been investing in unit trusts through single premium bonds.

"It was a natural progression because the tax position initially favoured insurance-based contracts," said Geoffrey Pointon of Pointon York. "As the Chancellor closed the loopholes, brokers have taken up non-insurance schemes to continue doing the same things they were before."

In order to call themselves insurance brokers, those in this field are required by law to be registered and to meet a number of standards: they must have professional indemnity insurance of at least £250,000, maintain a separate insurance broking account, have a specified amount of experience in the industry, submit their own accounts to the regulating council once a year and be able to prove at any time that they are solvent. The British Insurance Brokers' Association has further requirements.

Some advisers using titles such as "insurance consultant" or "life assurance adviser" may not be registered under the 1977 Insurance Brokers (Registration) Act, and it is as well to check before doing business with them.

Insurance brokers are, however, not required to show more than the most general knowledge of investment matters in order to qualify as associates of the Chartered Insurance Institute, and the extra experience that they must accumulate in order to become registered insurance brokers may be in some field unrelated to investment such as motor insurance.

But many firms, particularly the larger ones, have developed considerable investment expertise, and their membership of other professional bodies than BIBA shows a commitment to the business of financial advice.

Pointon York, for instance, is a licensed deposit taker and a member of the National Association of Security Dealers and Investment Managers. Charnley Davies is also a member of Nasdim, and Towry Law is a licensed dealer in securities.

Firms such as these offer a range of investments outside insurance products and in some cases have moved away from being paid by commission alone, towards the fee payments urged recently by Sir Gordon Borrie of the Office of Fair Trading.

Charnley Davies, for instance, charges no fees on its advisory portfolio management service, but on its full discretionary service it charges ½ per cent of the value of the portfolio, up to a maximum of £500. For nominee service, where the company collects dividends and handles other paperwork for the investor but does not have discretionary management of the portfolio, the fee is ½ per cent up to a maximum of £350.

Jennifer Owen, managing director of Charnley Davies (Southern), says that a small number of clients—under 10 per cent—asks to be charged a fee in preference to commission.

"It would be lovely to forget the whole thing and just charge a fee," said Owen, but while competitors take commission and never mention a fee, this is impossible.

Some other groups that have expanded from insurance broking into the unit trust advisory business charge a flat fee—£41 from Richards Longstaff, for instance—but others have preferred to restrict themselves to the commission they earn when moving clients' money into a new trust. Where fees are charged, brokers will generally offset some of the commission they may receive.

Most smaller insurance brokers, however, still have to sell a product rather than give continuous financial management, and it is probably unwise to expect advice on investments outside their range.

"The belief that the broker will freely choose among all companies is false except perhaps in the case of the very largest firms," Professor Gower said. "The broker is likely to be subject to the same inducements in favour of particular types of policy and companies as a direct salesman."

George Graham

YOUR SAVINGS AND INVESTMENTS

Mr Hendry at his Devon home

Positively profitable thinking

By GEORGE GRAHAM

RETIREMENT can be a welcome chance to take things easy. But the stroke that forced Ron Hendy to retire was a bitter blow to his hopes of dying in harness, as his parents bad done.

Contemplating an inactive life, Hendy turned to a book ahout Andrew Carnegie, the American steel magnale. The example of positive thinking inspired him to try making his money work for him now that he could no longer do physical work. He turned for the first time to the stock market.

Hendy had overcome adversity before. The business he and his mother built up supplying high quality, tuberculin-free milk began to crumble when the Government made sucb milk compulsory, and he lost contracts to lower cost suppliers. But he rebuilt from this, and spent a further 18 years before his stroke in the dairy business at Plymstock, on the outskirts of Plymouth.

Taking advantage of rising markets, Hendy increased his initial portfolio fivefold in his first five years as an investor. "When he had a stroke be was green concerning stocks and shares," his wife Betty said. "Now, at the age of 77, Ron has proved that it can be done."

Indeed, Hendy has now written a booklet called *It Con Be Done* which preaches with evangelical zeal the virtues of Stock Exchange investment.

Investment Tales

"Emphasis must be put on the fact that this is not a gamble," be wrote.

It Con Be Done details the method that Hendy uses to monitor hia shares. This involves plotting ahare price movements on graph paper in blue ink against the price at which they were purchased, drawn in red

"Thousands of people have now got these British Telecom shares," said Hendy. "The first thing they should do is monitor them. I koow a lot of people with shares who just put them in the cupboard."

Hendy advocates taking profits quickly when they arise, and urges investors to take full advantage of their allowance of £5,600 free of capital gains tax. "The man in the street can overcome poverty because he's got a target of £5,600."

For this purpose he advises "a continuous yearly rhythm of multiplying shares," selling a stake when it has appreciated and buying a larger quantity when the price has fallen again.

Hendy is much vaguer on how he chooses a share in the first place, though he does recommend paying close attention to the position of the share price in relation to the previous year's high and low. And he advises caution when an election is impending.

Mostly, however, Hendy seems to play it by ear. "Instinct is the first thing in choosing a share," he said. "You've got to have a sort of a hunch."

He has done well with British Car Auctions, while Cable & Wireless and the 600 Group have also been successes. In his booklet, Hendy shows how a starting investment of £30 in Barker & Dobson in 1973, sold and bought again in continuous multiplying rhythm, turned into £24,817 by 1979, though the shares are now not doing all tbat well.

"I get quite a lot of losers," said Hendy.

In fact, Hendy's entire portfolio is now not doing as well as in his first five years as an investor, but he is undaunted. "I'm not worried about a loss —in fact, I'm delighted with a loss."

The main thing, Hendy says, is to think positively: "I made up my mind to overcome fear . . . If you're keen, you will get what you want."

Malcolm Gammie looks at the company car perk

Benefits of a Rolls-Royce

THE BEST-KNOWN perk at the employer's disposal is the company car. For those earnings £8,500 or more a year (the "higber *paid*"), and for directors, the benefit of a car differa fundamentally from most other benefits. The amount on which tax is paid is fixed by a acale, published annually, rather than by reference to the cost of providing the benefit.

A scale cbarge is designed to achieve simplicity but it must involve an element of compromise. There is a need to tax the benefit at a reasonable level, but at the same time it would to wrong to penalise the person who makes substantial genuine business use fo the car. Since 1979, the balance of the compromise has gradually shifted. Between 1980-81 and 1984-85 the scale charge for a 1600 cc car under four years old has risen by some 92 per cent. The scale charge does, however, cover all expenaes, including maintenance and vehicle excite duty, except for petrol for private use which, since 1983-84 has been taxed under a separate acale cbarge.

The car scale charge dependa upon a variety of factors: the initial cost; its age and type; the amount of business mileage; whether it is the only company car available. Tbe car scale charges for 1984-85 and 1985-86 on cars less than four years old are shown in the table. The petrol acale charge is tbe same for all cars, whataver their original cost.

The car scale charges (but not the petrol charges) are increased by half again if business mileage is less than 2,500 miles in the tax year. Both scales are reduced by one half, however, if business mileage exceeds 18,000 miles. Accordingly, records of business mileage should be kept. If, as April 6 approaches, the business mileage is just helow either the upper or lower limit, it may be possible to plan your business trips to ensure you fall on the right side of the line for the year. Travel between home and work does not count as business travel.

Where two or more company cars are provided at the same time to the employee or his family, the car scale charge for the additional cars is increased by half. The business mileage on both cars cannot be aggregated to ensure that the

Tax and the Employee

2,500 or 18,000 limits are met, ao business travel should normally be reserved for one car in particular, and that car should be the one with the bigbest basic scale charge. A second car which haa less than 2,500 business miles on the clock for a year suffers only one 50 per cent uplift.

Even with the 50 per cent increase for cars with low business mileage, or for second and subsequent cars, the scale charges tend to benefit those who receive more expensive cars. A new Jaguar XJ12 saloon would attract a scale charge of £1,100 a year (or £1,650 after a 50 per cent increase).

Where a car is four or more years old, the car scale charges are reduced. As age is measured from first registration and at the end of the tax year, registration immeditaely before April 6 is better than registration immediately after. Vintage cars will, of course, benefit from this reduction.

There are many points of detail to bear in mind when a company car schema is set up.

CAR SCALE CHARGES

1984/85 (1985/86 in brackets)

1. Cars initially costing up to £16,000 (£17,500)		
Up to 1300cc	£375	(410)
1301-1800cc	480	(525)
1801cc +	750	(825)
2. Cars initially costing between £16,001 and £24,000 (£17,501 and £26,500)	£1,100	(1,200)
3. Cars initially costing more than £24,000 (£26,500)	£1,725	(1,900)

For example, employees should not be given a choice between a company car and a higher salary of say £3,000, because this may result in a tax charge on the higher salary foregone. Where a contribution is made by an employee in respect of the private use of his car, the company car scale charge is reduced on a £ for £ basis provided that the contribution is a condition of tbe car's availability. But voluntary contributions, or payments in respect of private mileage, are not deductible. The latter payments may reduce a petrol acale cbarge but only where the whole cost of private petrol is made good by the employee.

If tbe provision of private petrol for employeea is being considered, any scheme sbould be set up early rather than late in the tax year. Where the car car has been available for the whole year, tbe provision of petrol for private use even for as little as one day in the year, results in the employee being taxed on the full scale charge.

Both car and fuel scale charges are reduced proportionately if the car is not available for part of the tax year or is incapable of being used for at least 30 *consecutive* days. For this purpose it is not sufficient that the employee cannot use the car. The car *must* be incapable of being used at all; for example, when it is in the garage for crash repairs.

If a car is made available through a pool scheme, and is used by a number of employees, no tax cbarge arises on any of those employees. The conditions for a pool scheme are, however, stringent. In particular any private use of the car must be incidental to the business use of it.

Finally, a cbange in the VAT treatment of motoring expenses is due to take place from January 1 1985. From that date, if there is private use of a company car, only the VAT element of repair and other expenses which is attributable to business use will be deductible by the employer. This may involva the introduction of new record-keeping procedures by employers to taka account of this change.

Malcolm Gammie is the director of National Tax Services at Thomson McLintock and Co KMG

FINANCIAL TIMES SURVEY
Saturday December 8 1984

Many sectors have responded enthusiastically to the export drive but a coherent government policy designed to aid industry is still lacking

PORTUGUESE INDUSTRY

Untangling the red tape

By DIANA SMITH

IT HAS been a more difficult year than usual for Portuguesa industry. Austerity imposed at the behest of the International Monetary Fund duly corrected excessive external imbalances that drova the country towards breakdown in late 1982, but it also sent a chill through public and private industry that may take years to weac off.

Not all the news is bad, however. The drive to increase exports and reduce the trade gap drew a strong response in many sectors. In the north, where much of private industry has learned to live with a chronic dearth of coherent government industrial policy, key sectors such as textiles and clothing, footwear, electronics and electrical appliances, small machinery and civil engineering have found good overseas orders and compensated for the sluggish domestic market.

In Sao João da Madeira, heart of the dynamically-growing footwear industry there is over-employment, a phenomenon almost unknown in Portugal.

The pulp industry, spread over the north and centre, is developing a strong international competitive edge. On the one hand, eucalyptus, a prime source of short fibre pulp, grows easily in Portugal with a growth cycle less than a third as long as the Scandinavian pine. On the other, consolidation of Portucel, the large state-owned pulp complex, inauguration of the $275m Soporcel pulp mill in Figueira da Foz earlier this year and continued strength of the smaller Celbi and Caima mills endow the country with a large-scale industry producing a commodity for which demand is rising, at ever higher rates of productivity.

Technology plants

To the delight of many Portuguese who feel their country must catch up with tha third industrial wave, new technology plants are sprouting, often fuelled by U.S. capital. Portugal's decades of political isolation and industrial protectionism left it lagging behind West Europe in development and absorption of technology, and it spends too little on research and training of scientists or industrial designers.

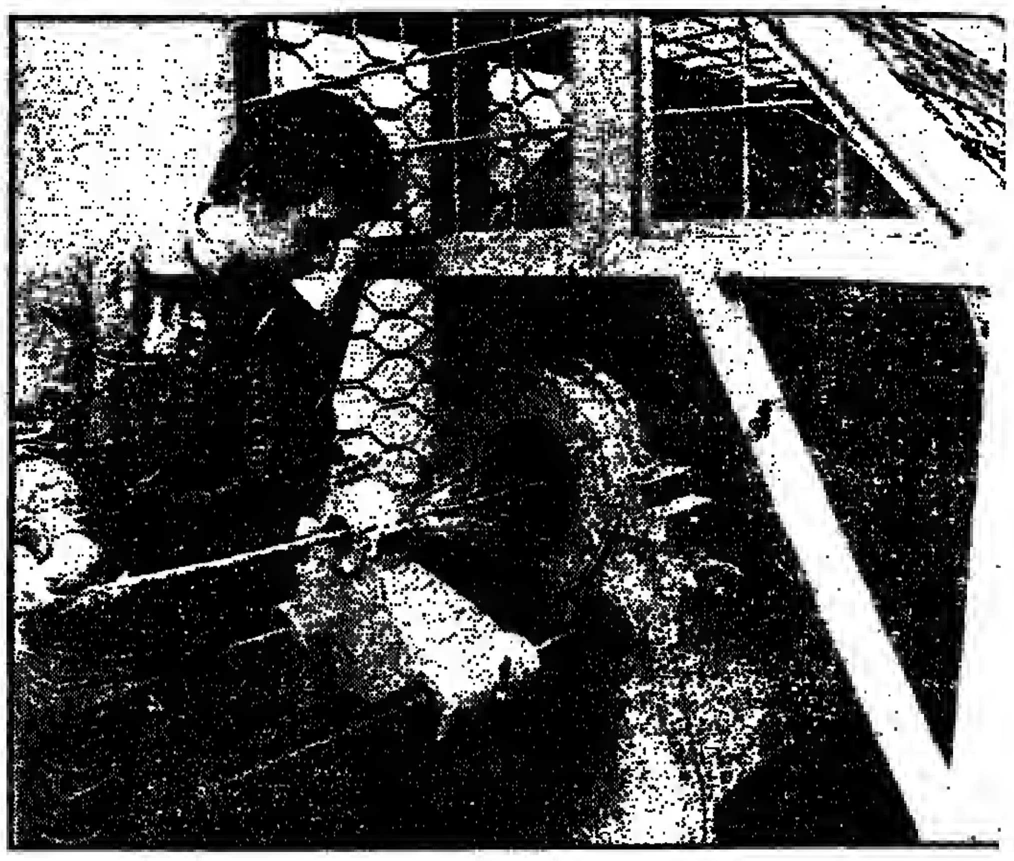
Out of the deep economic crisis has come some good too: scarcity of credit has forced companies to re-think. In the glass industry in Marinha Grande, once efficient but driven into a slump by the political and labour upheavals of 1975, some companies have made Herculean efforts to get themselves out of their financial impasse.

Cive, Portugal's largest glass container manufacturer, is a case in point. Virtually condemned to death a year and a half ago when it could not generate enough resources to service its debt, let alone pay workers, the company, under new management, has now divested where possible, pruned the payroll, aggressively sought and found exports to the UK and Belgium, devised a rescue agreement with banks that lets it roll over its debt at special low interest rates and, with technical assistance from Owens-Illinois, it now faces a streamlined future with some confidence.

Scores of hard-pressed Portuguese companies that have limped along without attacking the roots of their problems—usually under-capitalisation, over-manning, old-fashioned management, and sparse understanding of changing methods and markets, and antiquated equipment, could learn from firms like Cive which decided to save itself in the nick of time.

The tendency to limp and hope that someone will offer a crutch leads many companies to keep workers on the payroll but not pay them. This has brought hardship to tens of thousands of families.

Militant trade unions and opposition parties have drawn what capital they can from this sombre aspect of Portuguese management: the centre-left coalition has been lucky to escape a fully-blown furore.



Ashley Ashwood

Thriving old and new industries: Left: dyeing vats at a textile factory. Above: telephone cable being woven at Cabelte works.

Economic indicators

	1978	1979	1980	1981	1982	1983
Per capita GNP	$1,907	$2,215	$2,548	$2,416	$2,309	$2,092
Inflation (%)	22.1	24.2	16.6	20.0	22.4	25.5
Unemployment (%)	8.4	8.1	7.9	7.6	7.6	10.8
Trade balance ($bn)	−2.4	−2.6	−4.2	−5.1	−4.8	−3.0
Current account balance ($bn)	−0.826	−0.52	−1.2	−2.8	−3.2	−1.6
Total external debt ($bn)	5.4	7.2	8.8	10.9	13.6	14.3
Real GDP growth (%)	3.4	6.2	4.1	0.8	3.2	−0.1

Source: Banco de Portugal

With weak social security and rudimentary unemployment benefits, and Europe's lowest wages, Portugal's labour force is often badly paid if it stays at work and, unless the extended family helps out, very vulnerable if it resigns from a weak company.

Lack of co-ordination between government departments and subsequent lack of political will-power after an energetic start leave Portugal's large public sector, created overnight in the 1975 revolution, playing its usual combined role of scapegoat, repository for clientele of ruling parties, fodder for the centralising urges of politicians conditoned by half a century of paternalistic government, debtor to national and foreign banks and debtor to other public companies.

For example, Petrogal, the national oil monopoly, is owed Es 110bn (about $700m) for the oil derivatives it supplies to other public concerns.

Reforms for the public sector have been promised and discussed as much by this Government as by its predecessors. The state is sitting on White Papers, reports by the Organisation for Economic Co-operation and Development, World Bank reports, special consultants' reports and a small mountain of suggestions on what to do with Portuguese industry sector by sector, as a whole, private or public.

As before, the surfeit of reports is not matched by a surfeit of action. Nor does clarity rule the day. One ministry contradicts another on figures or proposals, leaders of private industry thunder about unfair advantages enjoyed by a public sector which has to grope through a maze of red tape, financial overheads and conflicting ministerial instructions, and demands that the Government create free market conditons, while condemning external competition that is part of a free market.

The seasoned observer accepts the contradictions as part of Portugal's tentative progress towards 20th-century democracy, but the casual observer can find them unnerving.

Against this background, some public-sector enterprises have made their own way and changed the bleak picture of a year ago: CNP (Companhia Nacional Petroquimica), the fledgling petrochemical complex, has after early technical teething troubles and heavy borrowing, begun to generate enough of its own resources to start servicing its foreign debt without help from Portugal's sovereign borrower, the Republic of Portugal. But the Sines petrochemical complex, of which CNP is an intrinsic part, is operating far below its nominal capacity.

Decisions awaited

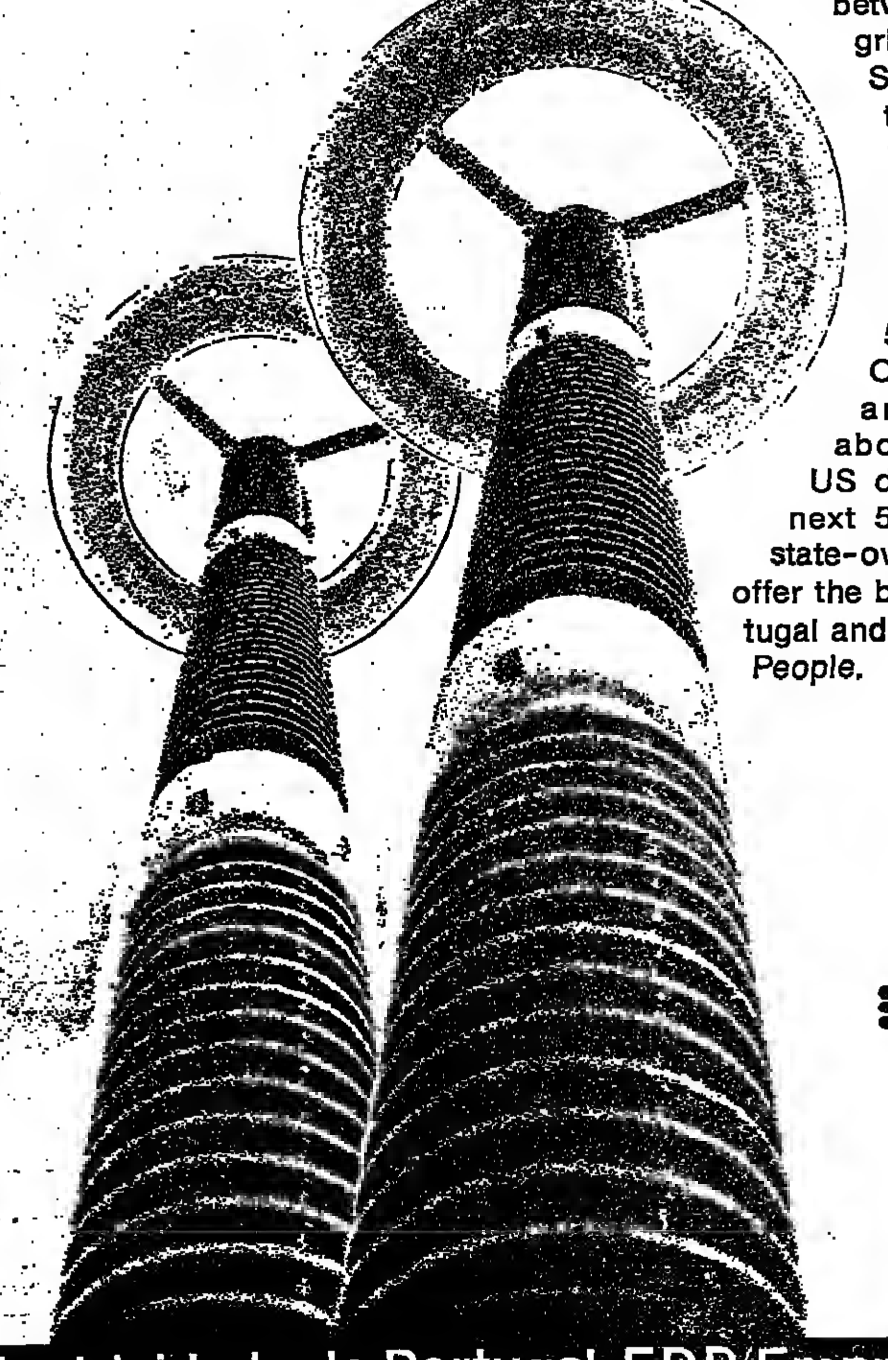
For months a World Bank structural loan of about $200m aimed at helping to streamline the public sector has been on the cards. It is awaiting clear definition from the Government of what it intends to do with public industries.

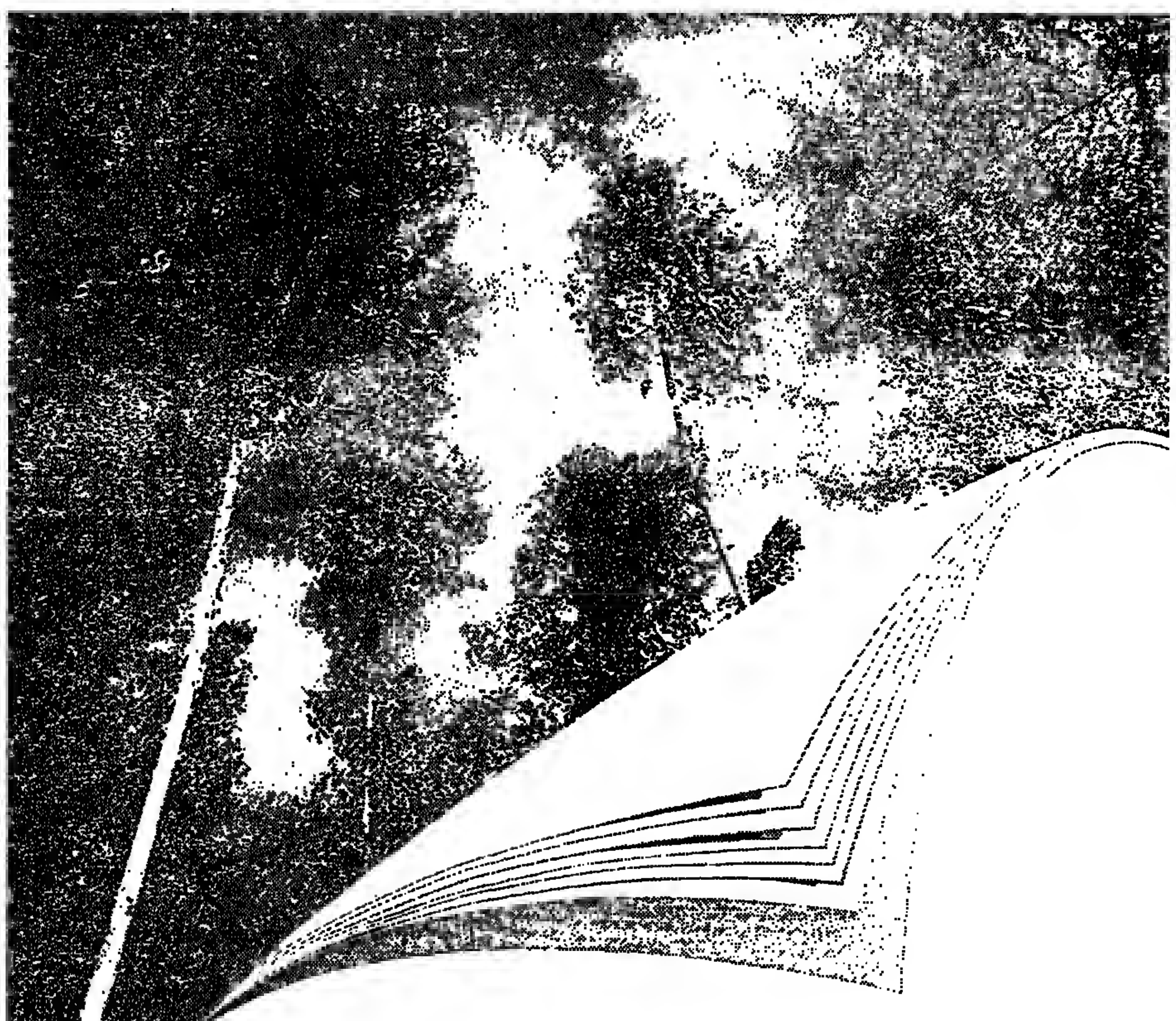
Until decisions are made, the loan cannot progress: until the loan progresses it will be hard to make decisions on s… needy public companies. S… is the vicious circle created … the country's inherent polit… confusions and contradictio…

The dilemma over the W… Bank loan epitomises a… guous attitudes towards for… advice or contributions. … tugal solicits them, but se… ingly resents them at the s… time. Such attitudes w… probably the price of … isolation and should clear u… Portugal finds a stronger in… national role.

The ambiguity extends … foreign investment which … tugal declares that it des… then entangles in a welter … red tape that only the … determined or patient in… national investors bother to … with. This Government … promised a simplified for… investment code and simpl… authorisation processes, but … yet delivered them.

Foreign technology, man… ment techniques, capital … marketing techniques are … valuable assets for the mod… isation of Portuguese indu… It would be unfortunate if … many would-be investors … discouraged by bureaucratic … psychological obstacles.





Speed up of approval on the way

Foreign investment

W. D. CHISLETT

PORTUGAL'S TURNAROUND n its external accounts bas put be government in good odour vith its international bankers. Despite this stamp of approval, however, foreign companies ake a wary view of the Foreign nvestment Institute's new logan that Portugal is "the est choice for your investnent."

The country has the advanages nf the cheapest labour in Vestern Europe, being well laced to serve European marets. It offers generous incenves for foreign investors and he prospect tbat EEC memberhip will bring greater export pportunities.

Portugal paid an average ourly rate of $1.69 last year ompared to $4.48 in Spain and 10.67 in West Germany, ccording to the FII.

There is no official figure for e total accumulated book alue of foreign investment, but is known to be very low by EC standards. The institute ays that new investment (inuding reinvestment of profits y existing foreign companies, xpansions aod new projects itborised) in the first eight onths of this year was Es 3.2bn ($100m), double the mount in the corresponding 983 period In escudo terms but onsiderably less when easured in real terms against e sharply rising dollar.

However, while foreign instment is low in Portugal it clear that it is playing an portant role in certain sectors the economy. Last year reign companies accounted r 46 per cent of sales in the ibber sector, 67 per cent in ectrical engineering and 46 r cent in industrial tools and uipment.

Optimistic

To judge from the bigher vel of profits which foreign mpanles are reinvesting in eir operations, foreign busisses in Portugal would appear be optimistic about the ture. The Investment institute ys that last year 51 per cent profits made by foreign comnies were reinvesled, comred to 32 per cent in 1981.

Texas Instruments, the only mpany manufacturing semlnductors in Portugal, started weekend sbift earlier this ar for students and is now orking seven days around the ock supplying semiconductors its assembly plants in rope.

Last year foreign companies re responsible, according to e investment institute, for 25 r cent of the value of Porgal's exports and brought in per cent of Portugal's ports. The problem for the vernment is how to convince reign investors to put their money intn Portugal.

To some extent the reasons for the lack of interest are due to factors beyond Portugal's control. Business has now picked up so much in the U.S. that American companies find it easier to make money at home than overseas. If U.S. companies look abroad for new ventures it is increasingly to the Far East and not to Europe wbere it bas suffered some disillusion. In any case, Portugal's internal market is only 10m with an average per capita income of $2,092 (in 1983), which does not make for big consumer spending.

The main reasons, however, can be found nn other grounds. Red tape is burdensome, although no worse than in other developing countries, and its labour laws are restrictive and make it comparatively costly to lay off workers. Roads and telecommunications are still fairly primitive by EEC standards.

Problems

The revolutionary image of the country after the overthrow of the Caetano dictatorsbip in 1974 has not yet been completely erased. Executives remember the days wben workers took over some companies. Lastly successive governments have simply not dealt adequately with the promotion of Portugal.

The investment institute is aware of all tbese problems and with EEC membership on the horizon It is starting to advocate changing some of the laws and incentives governing foreign investment. Whether it bas any success remains to be seen.

The Cabinet is now studying a new procedure to speed up the approval of foreign ventures. The idea is to substitute the present system of appraisal of forelgn ventures witb one under which foreign companies or individuals would only have to declare their intentions.

If after a maximum of 60 days the Institute had not communicated a decision then the applicant could take this as tacit approval and go ahead with bis venture.

Potential investors complain of long delays. The problem is that the institute is generally quick to make up its mind and then the real battle begins of manoeuvring througb a warren of bureaucratic hurdles from differeot ministries for countless documents needed before an operation can start.

Another change being mooted is to revamp the system of fiscal incentives for foreign investors and be much more selective and generous to those companies wbich contribute to the balance of payments. The emphasis is switching away from job creation to balance of payment contribution. At the moment incentives are universally given with no rationale behind them.

The institute is exploring ways to encourage Portuguese emigrants in France, where about 1m live, South Africa and Venezuela to transfer the money they bold in the state-run Portuguese banking system into productive investments.

The Institute would like to see the creation of investment funds in different currencies with the state guaranteeing the exchange risk and unbindered repatriation.

The U.S. embassy in Lisbon, as part of Washington's policy of strengthening the private sector, is helping to promote Portugal. Next February a team from the Overseas Private Investment Corporation, a U.S. Government agency, will visit Portugal to offer technical advice, and help identify markets. Over 100 Portuguese companies have submitted projects where they would like U.S. investment.

Potential investors may draw comfort from an interesting development. Portugal's very low productivity is a factor which has inhibited greater foreign investment.

Companies already in tbe country, however, are beginning to discover that, with the rigbt management, productivity can be greatly increased. Magnetic Peripherals, part of Controlled Data, the U.S. group, says its Portuguese operation is one of its most productive anywhere.

A final polisb before being packed and dispatched at the Basilins sboe factory, Oporto

Exports show sixfold rise

Footwear

W. D. CHISLETT

THE PORTUGUESE footwear industry is on the march and is gaining ground in European markets to the growing concern of well-established producers like Italy.

In the last 10 years exports of footwear have increased sixfold to an estimated 37m pairs this year, 75 per cent of them leather. Thia year's exports are 50 per cent higher in volume than last year's and with a total value of Es 35bn ($216m) are almost double tha value of 1983.

The substantlally higher revenue on a proportionally smaller increase in volume underscores the success which Portugal is beginning to bava in breaking into the more lucrative market of higb quality shoes.

Until the 1970s the Portuguese industry was almost entirely dedicated to supplying the bome market. This year exports will take up 60 per cent of total production.

The major markets are the UK (19 per cent), West Germany (17 per cent) and the Netherlands (12 per cent). Overall the EEC took 65 per cent of footwear exports last year and Efta countries 24 per cent. The U.S. takes less than 5 per cent.

The success of the footwear industry, which consists of about 1,000 companies, a quarter of them employing fewer than 10 people, is most vividly illustrated by Campeao Portugues, the largest business, at Pevidem near Oporto, whicb sells casual, sporting and safety shoes, and is working at full capacity.

Campeao is now selling ski boots to Norway — as well as making the chic Le Coq Sportif range for the Frencb company —and next year it will probably begin to export rubber-soled safety shoes to the Middle East.

Campeao discovered to its great annoyance that some of the safety shoes which it sells to the UK, one of its major markets, were being re-exported to the Middle East — but not very successfully.

The polyurethene soles cracked in the heat of the desert Campeao is re-designing the ahoes for the Middle East with more durable rubber soles and intends to ship direct.

Its ski boot venture is another example of Portugal's determination to find and keep new markets. Campeao's first sale of ski boots to Norway was a disaster because many were returned with broken soles.

Portugal has no snow to speak of and so Campeao was unabla to test thorougbly the ski boots. The company quickly put right the problem by developing snow conditions in its quality laboratory where the boots are now tested in a large freezer-like container.

Producers are concentrating tbeir efforts more on quality than quantity. While Portugal's costs are low compared to the rest of Europe, they are still substantially higber than the Far East producers like Taiwan against wbom Portuguese producers cannot hope to compete in the big cheap shoes market.

The new emphasis on quality —with hessian and linen creeping into the more fashionable ranges (both strong contenders in the Italian fashion race) — is constrained by Portugal's fragmented suppliers' industry, scattered about the countryside.

Campeao, for example, complains of poor quality leather from some suppliers, late deliveries and steel components, like toe caps, which do not meet international standards. Some raw materials are cheaper to import — once a licence is obtained from the Government which is an exacting and exasperating business.

The other problem which is acting as a brake on the growth of the industry is the lack of trained people. There is only one official shoe school in Portugal to the chargrin of Campeao which, in the words of one of its senior executives, has now become the country's "sboe university."

Campeao began producing 29 years ago at the rate of 20 band-crafted shoes a day and now turns out 2m pairs a year. Campeao trains about 12 people for every six places it needs to fill (recruits often come straight from the fields) because some leave after the training to set up their own small businesses.

While EEC membership will have no significant impact on footwear exports, as they are already entering European markets without quotas, the protected Portuguese market will come under pressure for the first time from cheap producers like Taiwan which, through Third Country EEC agreements, will be able to enter Portugal more easily.

A mere 204,410 pairs were imported in 1983 in a market of some 10m, whicb makes Portugal an attractive proposition for cheaper producers.

At the moment only 150 of tbe country's 1,000 footwear ventures export, which leaves considerable scope for greater expansion and the world's largest market, tha U.S. is still virgin ground for Portugal.

Producers are planning to explore the U.S. market and may hold a sbow at the World Trade Centre in New York next year to promote their goods.

Cornerstone of the economy

Textiles

W. D. CHISLETT

THE 492 ultra high speed shuttleless looms at Coelima, Portugal's largest manufacturers of bed linen and one of the three biggest in Europe, are working flat out. Pillow cases and sheets of all types of material, destined for export, are piled high. Business has never been so good.

In a decimated European textile industry, flourisbing concerns such as Coelima at Guimares near Oporto in northern Portugal stand out like an oasis in a desert and higblight the benefita whicb will accrue to the value-added sectors of the textile industry when Portugal joins the EEC in 1986.

Coelima's exports, for example, will account for ahout 50 per cent of its total Es 8.4bn sales ($51.8m) this year, compared to 40 per cent In 1983. This will amply compensate for the large fall in its sales to the extremely depressed domestic market.

Total exports of textiles, including clothing were Es 135.4bn ($830.2m), in the first eight months of 1984, 56 per cent higher tban in the same 1983 period in Escudo terms.

But not all textile concerns —mills proper or clothing and linen manufacturers—are as modern and inventive as Coelima. At the other end of Portugal's textile spectrum, which covers 2,000 private husinesses, there are many small and medium-sized ventures with antiquated machinery, gross overmanning and low productivity which will be squeezed out of business after Portugal joins the EEC, since the country will he more vulnerable to products from the cheaper Far East producers although Portugal's costs are the lowest in Enrope.

Major role

The textile industry ia a cornerstone of the economy, contributing 20 per cent of the gross added value of the manufacturing sector and 28 per cent of exports. It has played a major role in the turnaround in the country's external accounts.

More Importantly, in social terms, tbe industry employs 300,000 people out of a total work force of 4.5m. Coelima estimates, even more sharply, that up to 1m people, or almost one in 10 of the population, depends upon the fortunes of the industry in some form or other.

So wbile EEC textile producers have good reason to fear increased competition from Portugal, the Government of Mario Soares, nr any government for that matter is even more concerned about the social cost of EEC membership on the industry as it will be forced to wield a palnful scalpel which has so far been largely reslsted for political reasons.

A top government official said as many as 50,000 jobs could be lost in tbe medium term with no guarantee that people could be redeployed in other sectors. Whole communities like the 9,000 strong wool sector around Covilha could disappear.

Tbe critical state of some ventures is exemplified by the fact that workers at some of them bave not been paid for months.

The emphasis is now on quality and value added goods. "There is no future for the rougb end of tbe market," says the Industry Minister Sr Antonio Veiga Simao bluntly. The Government plans to set up a technological institute in the north, where most of the clothing industry is located and the Portuguese Export Promotion Board is to establish the country's first textile design centre to promote quality levels and fashion trends.

Supplier

At the moment Portugal is a supplier, not a creator of clothes.

Portugal has just finisbed negotiating its EEC textile framework and is pleased with the results, according to one of the chief negotiators. Its textile quotas for this year will permit a 40 per cent increase in value and 12 per cent in volume, which is bigh given the current depressed state of the European industry.

This, said the negotiator, demonstrates the political will in Brussels to help Portugal, and in particular, to strengthen the private sector, despite what problems remain over Portugal's entry into the EEC. Quotas will disappear three years after Portugal is admitted.

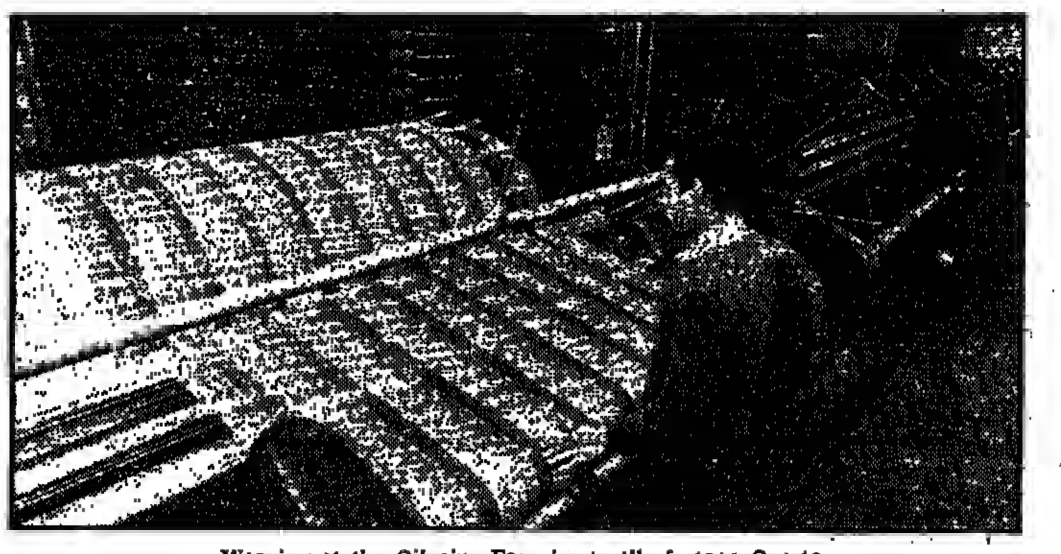
Relations with the U.S. market, however, are becoming tense as producers there have filed a petition wilh the Commerce Departmeot to have countervailing duties imposed on Portuguese textiles on the grounds that they are suhsidised and harming their interests.

Portugal is not a member of the subsidies code of the General Agreement on Tariffs and Trade (Gatt) although it is in the process of negotiations, and therefore U.S. producers do not have to prove injury to their markets, only the existence of subsidies. Portugal's textile exports to the U.S. were worth $28m last year.

Textile exports

	1979-83 Volume (tonnes)	Value Es(bn)
1979	162,000	49.8
1980	156,000	59.3
1981	168,000	67.9
1982	183,000	94.8
1983	202,000	141.1

Source: Industry Ministry



Weaving at the Oliveira Ferreira textile factory, Oporto

Energy costs and supply factor limit growth

Paper and pulp

W. D. CHISLETT

THE FANFARE surrounding the official opening in October of Soporcel, Portugal's largest single pulp mill and, at Es 45bn ($276m), the biggest investment since the country's 1974 revolution, underlined the growing strength of one of the most dynamic sectors of the economy.

Soporcel will produce around 260,000 tonnes of bleached eucalyptus pulp next year, 80 per cent of which is destined for export. If all goes well Soporcel will contribute an extra Es 18bn ($111m) to Portugal's exports of paper and pulp next year.

Wiggins Teape, the UK paper company, is discussing the possibility of taking a large minority share in Soporcel worth £40m which, if concluded, would create one of the largest integrated mills in Europe.

The 1.2m tonnes of encalyptus wood which will be used by the Soporcel mill at Figueira da Foz in northern Portugal represent a much faster growing and thus cheaper raw material than the pine used in northern European mills.

Soporcel, currently owned by state financial institutions but which is likely to be transferred to the private sector through share offerings, is bighly automated. It employs only 500 people which is said to be low, by EEC standards.

Another sign of the health of the industry is that this year Portucel, the state-owned conglomerate and the largest producer of pulp and paper, which is the result of the merger of five ailing companies in 1976, will make its first significant profit of Es 3bn, or 8 per cent of turnover, after a loss of Es 290m last year, according to Sr Antonio Celeste, the bead of Portucel. The business made a tiny profit of Es 44m in 1982.

He said that the volume of exports this year would be 500,000 tonnes, 370,000 of them pulp, worth Es 33bn, compared with 470,000 tonnes in 1983 worth Es 19bn.

Portugal's pulp and paper industry contributes more than any otber sector of tha economy to the country's trade balance. Last year the sector's exports outstripped its imports by Es 55bn.

The industry, however, faces two limitations. Its energy costs are high — Portugal is heavily dependent on imported fuel and the paper industry is a high energy consumer — and the industry needs to develop more Eucalyptus and pine forests and manage them better to meet its ambitious production plans.

It is estimated that in the past 10 years Portuguese forest fires have ravaged 400,000 bectares. A detailed study of the industry prepared by Portucel in March gave a warning that the country's eucalyptus supplies, the main source for pulp, could be in a precarious state by 1990 because of the extra demands from Soporcel unless the present forestry goals are met.

The programme backed by the World Bank and the Food and Agricultural Organisation for the afforestation or reforestation of 100,000 bectares of pine and 50,000 bectares of eucalyptus is behind schedule.

Soporcel is planning to plant 40,000 bectares of eucalyptus ovar the next 10 years, and two other mills, Caima and Celbi, are planting 15,000 bectares.

The FAO estimated in 1981 that Portugal would need to invest $2bn in forest programmes over the next 50 years to meet its needs. Given this situation, the Government has banned the export of wood, although in practice it is difficult to prevent.

On the energy front increased efforts are being made to use more of tha by-products from tbe industry to provide energy. Portucel, for example, which this year will spend Es 5bn on imported fuel (13 per cent of its Es 45bn revenue) has started to use bark to provide energy with the aid of technology developed in its own research centre.

The tasting room of Taylor's, port shippers, in Oporto

Shippers have been able to absorb only about half this year's rise in costs through export prices

Interest rates hit stock financing

Port wine

W. D. CHISLETT

TRADITION DIES hard as the port wine burghers of Oporto are discovering to their increasing frustration. While none of the 50 or so companies grouped under the Association of Port Wine Exporters would wish to shake up the conservative industry which goes back over 250 years, few would disagree with the feelings of Mr Jeremy Bull, the manager of Taylor's, one of the most venerable names, who complained sotto voce over a glass of port that the industry is "standing still and needs gentle restructuring."

Time does indeed appear to stand still for anybody who visits the ancient port wine cellars in the narrow cobble stone streets on the edge of the River Douro, housing Sandeman, Cockburn, Robertson and other illustrious names, or the imposing neo-classical building of the Merchants Association in the centre of Oporto.

Oporto, the northern Portuguese city, owes its wealth largely to the port wine business and today it is still an important economic activity—providing employment for more than 200,000 people and a valuable source of foreign exchange.

Exports, which account for 85 per cent of port wine revenue, are estimated this year at 591,000 hectolitres, marginally higher than 1983, and worth Es 14.4bn ($88.8m), a 12 per cent increase over last year.

Beneath the sedate atmosphere, however, there is a growing realisation, at least among the shippers, that the industry has become a little too complacent in the thrusting world of competition, especially from the aggressive sherry and vermouth producers, the time has come to start planning for the future — which means greater emphasis on quality, and containing costs.

Rising costs

As Sr Manuel Barros, head of the exporters association, puts it rather dramatically: "We don't want to reach the situation where California produces better port than us and at cheaper prices."

The problem is how to regulate the industry better without upsetting the uneasy mixture of interests between the 28,000 growers, a very high figure in European agricultural terms, and a powerful lobby, the shippers and the Government.

Shippers say their costs have risen by about 30 per cent this year because of high domestic interest rates (about 38 per cent for short-term money) and fixing the price of brandy by the goverment at artificially high levels which are twice average EEC prices. Brandy comprises almost one third of the wholesale cost of port.

The contentious issue of the cost of brandy is likely to come to a head when Portugal joins the EEC since the Government will have to allow in the cheaper brandy from the Community unless it manages to negotiate special terms to maintain its high price.

High interest rates have made stock financing an expensive business. Port is stored for between three and five years and in order to preserve stocks and inhibit "dumping" no more than one third of stocks, counted at the beginning of the year, can be exported.

The industry is also becoming more capital intensive (with computers for stock accounting). But there are severe limitations because of the very nature of the terrain. Unless the narrow terraces on which the grapes grow are widened—and there is a great resistance to change—agricultural machinery cannot be extensively used. Grapes are still largely crushed by foot.

Shippers have been able to absorb only about half this year's increase in costs through slightly higher export prices and the depreciation of the escudo which benefits their overseas sales. The currency's slide against a basket of European currencies (the EEC is the main port wine market) has slowed down this year.

Exports could be increased by around 10 per cent in volume, but shippers say the decreasing return on their business does not make it worthwhile to sell more unless costs are eased.

Their proposal for interest rate relief for stock replenishing has met a stony silence from the government whose Port Wine Institute, the body responsible for co-ordinating the development of the industry, has been without anybody at the helm for the past two years.

The Government did recently approve the World Bank—supported programme for greater development of the Upper Douro for high quality grapes. The Upper Douro comprises 80 per cent of the grape-producing valley but produces just 20 per cent of the grapes.

The Casa de Douro, the growers' organisation, has managed to block major exploitation of the Upper Douro.

Shippers note, however, that no licences for new plantings have yet been granted and fear the Casa de Douro may still win this issue.

PORT WINE EXPORTS
1974-84
(in hectolitres)

1974	437,086
1975	379,492
1976	410,967
1977	485,948
1978	521,053
1979	628,690
1980	614,502
1981	546,428
1982	572,865
1983	582,444
1984 (estimated)	591,000

Source: Port Wine Institute.

Welding optical fibres at the Cabelte works, Oporto.

A long way to catch up

Telecoms

W. D. CHISLETT

PORTUGAL'S antiquated telecommunications system has been substantially modernised in the past three years, but it is still the butt of jokes. Where the English complain about the weather the Portuguese and increasingly foreign businessmen, tell you about how many hours it sometimes can take to dial an overseas call at the cost of sore fingers.

Crossed lines, broken calls and the engaged tone after dialling just a couple of digits are still quite common.

Only 13 in every 100 inhabitants have a telephone in Portugal, the lowest number in Europe. The target of 40 by the year 2000 is still a low ratio.

Portugal is now trying to catch up rapidly after neglecting its telecommunications for so long. This sector, along with energy, is being given the highest priority in the Government's limited budget and has suffered no cut in real terms unlike many other sectors.

Officials are acutely aware that plans to modernise the economy and make it more efficient and productive, as well as attractive to foreign investors, are all pie in the sky unless the telecommunications system is improved.

Overall government spending on telecommunications rose 25 per cent this year to Es 27.1bn ($167.2m), with expenditure on the international side increasing by 150 per cent to Es 4bn.

Dr Raul Junqueiro, the Minister for State Communications who bubbles over with enthusiasm when talking about his future plans, says that Portugal "finally turned the corner" this year in telecommunications.

The national telephone system became completely automatic, Portugal joined the European telecommunications satellite system, the country is earning foreign exchange from its relay station which links Europe and the Far East and the drive has started to install an integrated digital service network, which will allow the transmission of voice, text, images and computer information.

The world's telecommunication giants, like ITT, ATT and Plessey of the UK are hotly courting the Government which plans shortly to go out to international tender for a national digital exchange system, a contract worth several hundred million dollars.

Dr Junqueiro has introduced long-term planning for the first time.

His proudest achievement however, is to have succeeded in reducing the average waiting time for the installation of a telephone to 11 months, from an exasperating 30 months two years ago. In Portugal that is called progress.

PROFILE: JOSE VEIGA SIMAO, MINISTER OF INDUSTRY

Avid promoter of R & D

PROFESSOR Jose Veiga Simao, the 55-year-old Minister of Industry, Energy and Mining, heads one of Portugal's largest government departments.

Like his predecessors he must juggle jurisdiction for 18 of the largest and, in some cases, the biggest loss-making public enterprises with attempts to formulate overall industrial policy for a country that often lags behind western Europe industrially.

The minister is a quiet, affable man, a product of Coimbra University like many of the country's younger and older politically-prominent figures. He specialised in physics and chemistry and became first Rector of the University of Lourenco Marques (now Maputo), capital of the former Portuguese colony of Mozambique.

In the waning years of the old regime, Professor Veiga Simao was Minister of Education.

Immediately after the change of regime in 1974, Professor Veiga Simao was Portugal's ambassador to the United Nations for a year. Later, he became president of the national laboratory for engineering and industrial technology.

Budget gaps

An avid promoter of research and development in a country traditionally neglecting this field, Professor Veiga Simao would patently rather spend energy and time modernising industry than plugging budget gaps created by unplanned haphazardly-managed nationalisations in 1975 and subsequent chops and changes in government and managerial policies.

His vast ministry does not quite run from soup to nuts—but it spreads over companies that range from breweries that also produce soft drinks to fertiliser manufacturers that also make household fabrics—anomalies of helter-skelter nationalisation.

He is waiting for a chance to implement a master energy plan that will diversify Portugal's energy production and sources of supply, now excessively concentrated on expensive imported oil. He is also eagerly watching the steady progress of preparatory work on the rich pyrite mines in the Alentejo at Neves Corvo which, when ready in a few years time, will produce the highest quality copper ore in Europe.

Deficits, diagnoses of their origins and proposals for their cure, however, absorb more time than the soft-spoken minister would wish. Until public sector deficits are cut, it will be hard for Portugal to modernise. As the minister puts it "We need a big industrial house but all we can afford now is a very tiny kitchen."

Jose Veiga Simao, Minister of Industry: juggling jurisdiction for 18 state enterprises

Diana Smith

Challenge from private sector

Banking

W. D. CHISLETT

THE OPENING last month by Manufacturers Hanover Trust of the first private bank branch in Portugal since the 1974 revolution, when nearly all banks were nationalised, caused some tremors among the country's banking bureaucrats.

For a decade Portugal's bankers have grown fat on the lack of competition. Chase Manhattan Bank and a Portuguese investment bank, Sociedade Portuguesa de Investimento, have also been authorised to set up branches and with Manufacturers Hanover should begin to shake up a banking system which is lethargic, inefficient, grossly overmanned, costly to customers and an obstacle to more rational economic development.

The two U.S. banks and SPI will join Lloyds Bank International and Credit Franco-Portugais — which with full branches established before Portugal's 1974 revolution escaped the takeover unscathed —seven leasing companies and three investment companies in challenging the nine state-run commercial banks.

Opening up

Leasing and investment companies began to be set up in 1981 in the first opening of the financial system, almost totally controlled by the banks, to the private sector.

The Government is hoping that the advent of private banks will act as a catalyst on the state system and force it to modernise and become innovative, productive and hence, in better shape to weather Portugal's accession to the EEC in 1986.

Private capital will also act as an important shot in the arm for Portugal's diminished business sector.

One foreign banker with several years experience in Portugal estimates that the country's banking system is overmanned by as much as 40 per cent. After nationalisation and Portugal's decolonisation, banks were forced into taking on people who worked for banks in the former colonies.

The banks, acting autonomously, opened branches all around Portugal, duplicating if not quadrupling activities. An average of 40 people work in each branch compared to 16 in the UK where staff levels are also considered high. Modern technology is being introduced but manning levels are not being reduced.

High overheads are a major factor behind the low profitability of the banks. The other reason is that the banks are saddled with a high level of non-performing loans to ailing public companies.

The former chairman of one of the largest banks estimates that about 11 per cent of total outstanding credit is not earning interest. Many loans were made after the revolution more out of political than economic considerations.

It is a revealing exercise to compare the balance sheets of the Portuguese commercial banks with that of the two existing privately run banks in Portugal—Lloyds Bank International (LBI) and Credito Franco Portugais—to see just how profitable the private banks have been on orthodox lines.

LBI and Credito Franco Portugais controlled just 1.3 per cent of the total deposits of $19bn last year and granted 0.8 per cent of credit.

For example, Banco Nacional Ultramarino, the fifth largest bank and the former issuing bank for Mozambique, made a slender profit of Esc 119m last year—which represented a 3 per cent return on its Esc 4bn capital and a meagre 0.04 per cent return on its Es 273.7bn assets.

Credito Franco Portugais's 1983 profit of Es 796m gave the bank a 53 per cent return on its Es 1.5bn capital and a 3 per cent return on its Es 25.8bn assets, which makes its Portugal operation a highly profitable concern by international standards.

The Banco Nacional Ultramarino on the Rua Augusta and the Arch of Triumph on Black Horse Square.

The Portuguese commercial banks, tightly controlled by the Bank of Portugal which fixes credit ceilings, interest rates and directs lending, are facing a situation where the cost of their deposits is rapidly approaching the income earned from loans.

The banks have to accept long-term deposits, especially from Portuguese emigrants, but they are not able to apply those deposits because of credit ceilings and depressed demand.

As a result of all these problems gross banking margins are extraordinarily high and the envy of international banks. Twelve month deposits earn around 28 per cent and the banks charge up to 10 per cent more on short-term lending, with 4 per cent going to the Government in taxes.

Expensive loans

Interest is pre-collected at the start of the loan, which makes borrowing painfully expensive. There is basically no other source of funding for companies as the capital markets are moribund.

The seven private leasing companies, which have been in operation three years, are doing good business. Turnover is expected to top Es 8bn this year after Es 4.5bn in 1983.

All except Imoleasing which specialises in property leasing are involved in hiring out equipment and are able to offer interest rates several points below the exorbitant bank rates.

Sociedade Portugeusa de Investimento (SPI), which will become the country's first private investment bank probably in February, is already carving out a niche for itself in providing medium-term credit, helping companies go to the international capital markets, finding foreign investors, privately placing bonds and preparing to bring in the full range of financial instruments — bankers acceptances, commercial paper, etc.

More than 100 private Portuguese companies have 72.5 per cent of SPI's equity and the rest is in foreign hands including the World Bank's International Finance Corporation and Credit Lyonnais with 7.5 per cent and 5 per cent respectively.

The main focus is on the entry of foreign banks which are expected to cream off the best clients from the Portuguese banks. Nine foreign banks applied to open full branches. Those turned down, and who are still hoping to be allowed in, include Barclays, Paribas and Citibank. Citibank, the world's largest bank, was put out at being rejected.

Chase Manhattan and Manufacturers Hanover were apparently rewarded for standing by Portugal in its hour of need after the 1974 revolution when many banks turned their backs on the country as it veered for a time towards Marxism.

Foreign bankers believe there is scope for good business in Portugal, although they feel that the initial capital requirement of Es 1.5bn is too high and there should be a hedging mechanism to cover the depreciation of their capital. The escudo is a weak currency against the dollar and inflation is not yet under control.

Foreign bankers also believe there is room for no more than about six private banks to operate in Portugal. The government is adamant that it will not denationalise its banks as they are regarded as a fundamental, although costly, "conquest."

However it will allow the private sector to inject capital into the state banks in minority positions when the banks increase their capital in the future. Given the present state of the banks, the private sector is not expected to respond to such offers.

PROPERTY

Yuletide buyers' bonuses

BY JUNE FIELD

FOR THOSE in the market for a new home, there are tempting Christmas bonuses and discounts. To keep their inventory active and to get families to brave the mud of the building sites before the end of the year, some builders are offering actual cash hand-backs, others various perks to make a move less traumatic.

Hampshire construction company Gudgeon Wiggins, with sites in Porchester and Winchester, and Westbury Homes of Bristol, have been encouraging buyers with offers of free holidays to help them recover from the strain. Westbury is also throwing in a day's free rental on a removal van to offset some of the costs of moving.

Up to New Year's Eve Wimpey is cutting mortgage costs on all new homes up to £35,000 in price, and up to £40,000 on selected London and south east developments. Under a three-year scheme it has offset monthly mortgage repayments by £50 during the first year of ownership, £40 during the second year, and £30 during the third.

Details David Eaton, sales and marketing director, Wimpey, Hammersmith Grove, London, W6. He already reports "a substantial sales boost with hundreds of extra buyers cashing in on more than £3,000 of practical assistance."

For anyone buying before Christmas Eve, Barratts will give £1,000 lump sum for up to £25,000 homes, or £1,200 in monthly instalments towards the first year's mortgage. Above £25,000 the payment rises by £200 for every extra £5,000 of purchase price.

Even those in the top bracket can benefit. In Hampstead for instance, where "super-houses" on the edge of the heath cost up to £655,000, a buyer could get a welcome £26,200 Christmas box.

For anyone that buys the last four-bedroom, two-bathroom house at £165,000 on Barratt Guildford's Tilt Meadow, Cobham, Surrey, development, not only will there be a completion cheque of up to £7,200, but a couple of other inducements as well.

They are a two-week time-share holiday for life in Scotland or Wales, plus a year's free membership of Foxhills Golf Club. (Barratt has recently bought the country club there to develop its fifth leisure operation.)

The first occupants are in at Barratt's Brompton Park (Seagrave Road, Fulham) innovative £22m scheme where 342 flats are well under way behind Chelsea football ground at Stamford Bridge.

By the New Year, buyers should be able to use the new leisure centre that is part of the package—exercise room, swimming pool and solarium.

Large studios at Brompton Park sell for around £49,500, and the two bedroom, two bathroom apartments go up to £96,000, and there are three bedroom ones in the pipeline.

"Sales have been in excess of our own best estimates," says David Pretty, Barratt Central London's managing director.

Chairman Alan Rowson says: "Over the past three years we have built over 3,000 homes on over 30 sites, at a total value in excess of £130m, the accommodation ranging from studio flats to top-security mansions."

Coming up are retirement flats at The Beeches, W3, between £40,000 to £70,000.

The latest mansions planned are in Dulwich, SE21, alongside Dulwich College, with views over the golf course. The 20 mock-Georgian style five and six-bedroom houses, featuring such classic trimmings as porticos, conservatories, sweeping staircases, plus, in one, your own gym and sauna, are expected to sell for around £400,000; as in Hampstead, there is no doubt that the major appeal will be to overseas buyers. (David Pretty has recently returned from Hong Kong, where £2m or so firm commitments to buy were made.)

To secure your own "Early Bird Reservation" on this security-conscious estate (a closed circuit television system will be connected to the electronically controlled entrance gates), contact Mr Pretty, Barratt, 1, Wilton Road, London, SW1. There is even a special built-in incentive for buyers at Dulwich Gate—you can probably part-exchange your existing home.

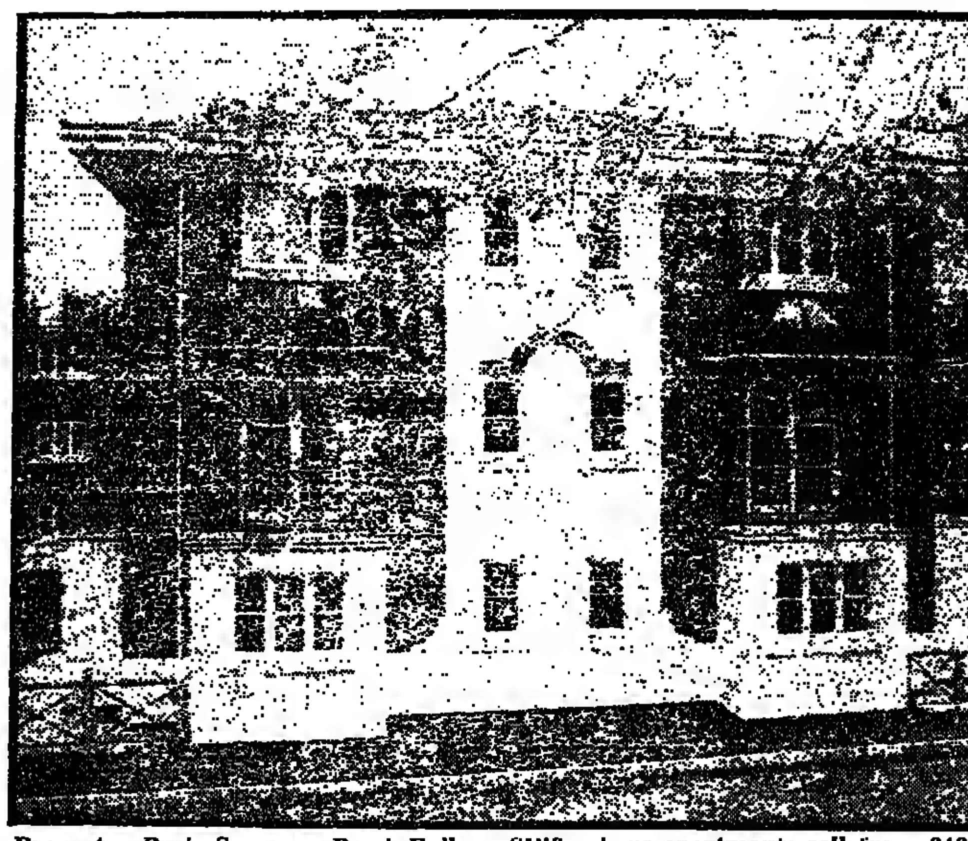
Other builders' discounts for speedy exchange of contracts include:

● Algrey Homes, South Street, Horsham, Sussex, offers up to £1,750 on property under £40,000, and up to £2,500 on homes over £50,000 in Hampshire, Sussex and Northants; similar bonuses are at its New Horizon Retirement Homes between £29,950 to £39,950 at Brighton, Bridgewater and Alcester. (Contact Roger Horton, 0403 51961.)

● Hunting Gate, Claremont Road, Esher, Surrey, will hand back up to £1,000 on its two-bedroom, semi-detached houses from £27,950 at The Links, Walderslade, near the Medway towns of Rochester and Chatham; and on £41,950 to £75,950 detached homes at Grenham Park, Bichington, near Margate, there are similar incentives. (Details marketing director, 0372 63415.)

● Kentish Homes, Verulam Road, St Albans, Hertfordshire, will give £1,500 towards a deposit, plus paying legal fees and stamp duty at Orchard Mews, Southgate Grove, Islington, North London, designed by architects Campbell, Zogolovitch, Wilkinson and Gough. Kentish's managing director Keith Preston calls the mews "the answer to Prince Charles' criticism of modern architecture." Alan Selby and Partners, 01-986 9431, are the agents handling the two and three-bedroom houses selling from £57,995.

But before you complete on a new home, invest in a helpful little booklet *Homecheck—How to inspect your newly built home* (£2.25 from Malcolm Gearey, MJG Publications, 3 Meadow Close, Lillington, Royal Leamington Spa, CV32 7AS). It tells you how to conduct your own "snagging" operation, checking not only some of the major items, but those niggling minor faults that can become major aggravations if not attended to before moving-in day.



Brompton Park, Seagrave Road, Fulham SW6, where apartments sell from £49,500. Details 01-630 5721, or at the show flats open daily 11-6

GARDENING

The art of keeping the aspidistra flying

BY ARTHUR HELLYER

THERE IS no such thing as a house plant. It is a term of convenience used to describe plants which will tolerate the unfavourable conditions in rooms that are used by people for living or working.

Almost always the air is too dry, the light too low in intensity and too likely to come all from one direction. Even the temperature can fluctuate too much, especially in winter when central heating systems in homes and offices are usually controlled by clocks which turn them off at night when plants may be most at risk.

So the house plant is, by definition, one that will put up with conditions very unlike those in which it has evolved. It is possible to arrange such plants in order of adaptability, a league table with the easiest and most long suffering at one end and the most demanding at the other.

It is odd that one of the toughest of all, the aspidistra, has become quite scarce. It is quite difficult to find the variety with cream variegated leaves, and even the less-decorative plain green type is not all that easy to acquire.

Maybe the plant just went out of fashion because of its Victorian associations, and so nurserymen no longer bothered to grow it, or perhaps we killed it with kindness because it doesn't really like the leaf sprays and cleansing washes that are now so fashionable for house plants.

Its leaves, though so resistant to dry air and low light intensity, seem unduly sensitive to chemicals and, if they do get dusty or dull, are best sponged with plain water, nothing else.

Ivies are not quite so easy to manage in rooms as one might suppose from their performance in difficult places outdoors. Shade does not bother them at all, except that the variegated kinds do not develop their full colour in poor light, but hot dry air can be a problem.

The spider plant, *Chlorophytum comosum*, is as easy as the aspidistra and as Victorian. I remember the variegated variety, which is the best one to grow, in my grandmother's sitting room in a bamboo plant stand throwing out its long slender stems in all directions with planlets forming on them.

It was a source of wonderment to me that these little plants had fat white roots, though they were waving about in the air far away from any soil. Spider plants can be grown so easily from these plantlets that they get handed on from house to house.

Other plants that are very easy to grow are the kangaroo vine (*Cissus antarctica*), the two wandering Jews (*Tradescantia fluminensis* and *Zebrina pendula*) and the polka dot plant (*Hypoestes sanguinolenta*), which can be easily and cheaply raised from seed.

A selected variety named Splash, in which the characteristic lilac pink spots take up almost more room than the green background, is the best to grow. Other house plants commonly grown from seed are *Mimosa pudica*, known as "the sensitive plant," because its ferny leaves fold up and hang down if touched; the silk vine (*Grevillea robusta*) which is really a tree but makes a good pot plant for a few years; and the Australian blue gums, also trees for temporary use only.

All these are worthy plants but there is more fun to be had from those that are a little less easy going. I like the splashed colouring on the leaves of *Calathea makoyana*, looking as if they had been painted by an Impressionist artist. Its popular name is the peacock plant and it looks rather like *Maranta leuconeura*, to which it is closely allied.

The difficulty with both plants is that they detest the dry atmosphere of most rooms. If you want them to grow well you must keep them in a plant cabinet or under a plastic dome in which captive air can be kept suitably moist. The same conditions can be maintained in a bottle garden but this is much more difficult to plant and manage since everything must be done through such a narrow orifice.

The cabinet doors can be thrown open or the domes lifted off when it becomes necessary to clean up plants, remove fading leaves and repot or replant.

I also like most of the bromeliads, those strangely beautiful plants which have learned how to live perched up in trees out of direct contact with soil and therefore with very rudimentary root systems. They like a very spongy mix, all rather fluffy peat, and they must not be overwatered but neither must they be allowed to become really dry.

Legal Notices

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
HONGKONG TIN PLC
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that a Petition was on the 19th November 1984 presented to Her Majesty's High Court of Justice for (a) the sanctioning of a Scheme of Arrangement and (b) the confirmation of the reduction of the capital of the above-named Company from £150,000 to nil. The amount by which the capital of the said Company is proposed to be reduced is to be applied in paying up in full new shares of the said Company to a like amount in accordance with the said Scheme of Arrangement.

AND NOTICE IS FURTHER HEREBY GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Harman at the Royal Courts of Justice, Strand, London WC2A 2LL on Monday the 17th day of December 1984.

ANY Creditor or Stockholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated this 8th day of December 1984.
CLIFFORD-TURNER,
Blackfriars House,
19 New Bridge Street,
London EC4V 6BY.
Tel: 01-353 0211.
Ref: SAU/RKLB.
Solicitors for the said Company.

No. 007422 of 1984
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
ASTRA INDUSTRIAL GROUP
PUBLIC LIMITED COMPANY
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that a Petition was on the 20th November 1984 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named Company from £6,160,033 to £4,000,000 by cancelling capital paid-up or credited as paid up to the extent of 5p per share upon each of the issued Ordinary Shares of 10p each of the Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Harman at the Royal Courts of Justice, Strand, London, WC2 on Monday the 17th day of December 1984.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose.

A COPY OF THE SAID Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated this 6th day of December 1984.
CLIFFORD-TURNER,
Blackfriars House,
19 New Bridge Street,
London EC4V 6BY.
The Solicitors for the above-named Company.

No. 006875 of 1984
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
DRAKE & SCULL HOLDINGS
PUBLIC LIMITED COMPANY
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that a Petition was on the 28th day of November 1984 presented to Her Majesty's High Court of Justice for (a) the sanctioning of a Scheme of Arrangement and (b) the confirmation of the reduction of the capital of the above-named Company from £10,600,000 to £7,368,658 by cancelling shares in accordance with the terms of the said Scheme of Arrangement.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Harman at the Royal Courts of Justice, Strand, London, on Monday the 17th day of December 1984.

ANY Creditor or Shareholders of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

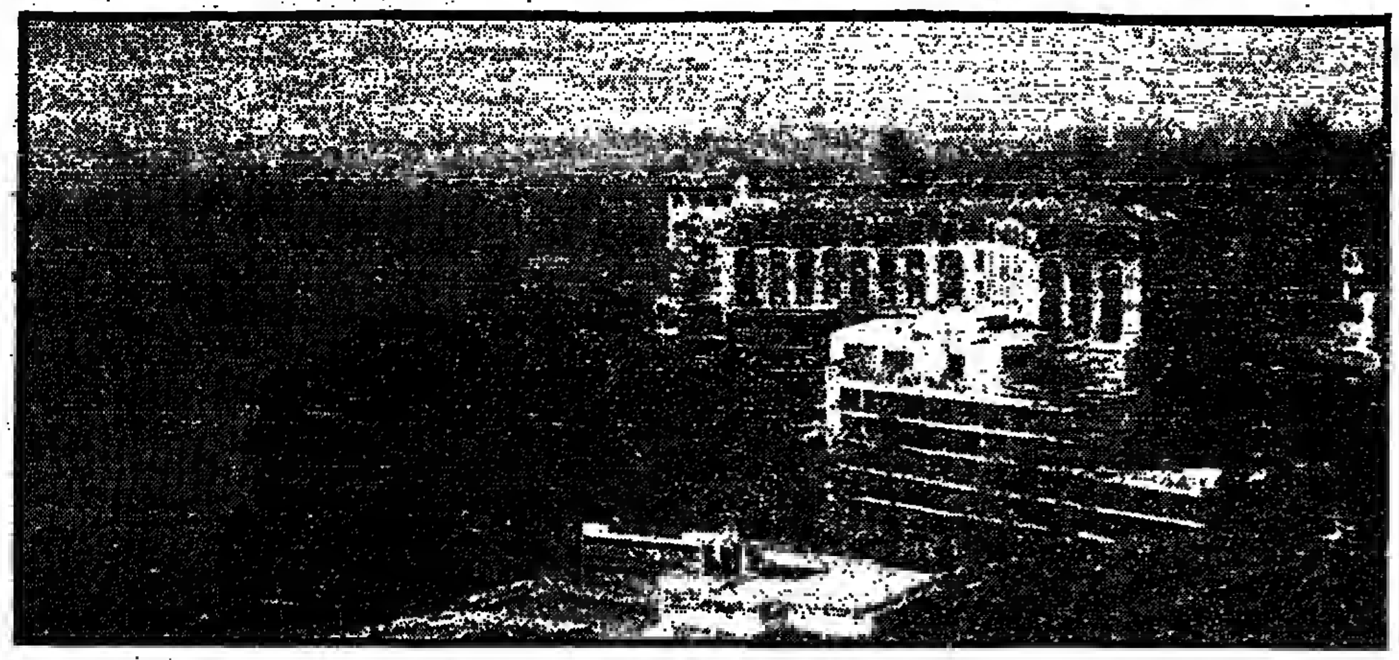
A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated the 6th day of December 1984.
LINKLATERS & PAINES (DHC),
Barrington House,
59-67 Gresham Street,
London EC2V 7JA.
Solicitors for the Company.

TRAVEL

Arthur Sandles explores a thoroughly British foreign place

Have some Madeira, my dear



Madeira: bath chairs, promenades and tea at Reids Hotel

MADEIRA and I suffer from a similar problem. Often in my life I've met a stranger who said: "Good heavens, I thought you were a little old man."

Every time I vow to put in more material in these columns about wild doings on the disco floor, athletics on the Bondi surf or drunken nights in outer Mongolia. But the little old man takes over.

Madeira is surely the little old man of tourism. Mention the island and an immediate vision is conjured. A mixture of tea at Reids Hotel, bath chairs and sedate promenades which end in a glass, a small one of course, of the local tipple.

Well, I suppose it is true that Madeira has very little in common with Torremolinos or Waikiki, but it does have a rugged muscularity which the postcards do not convey and, in the adjacent island of Porto Santo, has actually sprouted a bikini-clad youthful aspect.

Madeira's traditional appeal to the British middle-aged and middle class is not difficult to see. Its climate, particularly in the winter months, is one that appeals to any who dislike extremes. Its cuisine is foreign enough to be interesting but sufficiently familiar to avoid unpleasant surprises. Its pace is unhurried, its people amiable and its historic links with the UK considerable.

In the early days of its popularity it also had the advantage of being reachable by ship, without the inconvenience of travel confrontations en route with all those terrible garlic eating Continentals.

It is not a large island, being about the same width as the Isle of Wight but ten miles or so longer. The remarkable terrain, like a giant green Plasticine mound that has been playfully torn by massive fingers if anything makes it seem smaller, except that it takes a long time to get anywhere.

Into the folds of the tortuous landscape of Madiera, and particularly along its daunting coastline, are tucked dozens of small towns and villages, and the capital, Funchal.

Every inch of available land seems to be employed in order to feed and house the 300,000 people who live there (to carry on the comparison this is about three times the population of the Isle of Wight).

Crops are cultivated on a maze of terraces up the precipitous sides of mountains; cows are tethered in small patches of greenery in order to get the most milk from the least grass; and, needless to say, the sea is employed to provide what the small amount of available earth could not.

For those of a sensitive nature it is perhaps best not to look at the fish that emerge from the depths of the Atlantic around Madeira. It seems to be a natural law of the sea that the deeper the waters the stranger the appearance of its inhabitants (and the waters around Madeira are very deep).

Some creatures are dragged up from such depths that they explode as they near the surface. The ubiquitous espada (scabbard fish) is not the sort of fellow you would choose to meet on a midnight bathe, but makes excellent eating.

Most of the hotel development on the island has spilled to the west of Funchal. Lots of taxis and bus tours are available for trips around the island, but car rental is not expensive (around £85 for a week) and recommended provided you have the patience to deal with narrow winding roads and are not intimidated by the frequent fearful precipices along most routes.

Funchal itself is a place where you can easily dump a car and wander for hours. It is a pleasant and surprisingly large city set on hills and full of fascinating corners. Attractions include the Fortaleza de Sao Lourenco, a 16th century fort; the Governor's Palace; the Igreja do Colegio; and the surprising little gem which is the Museu de Arte Sacra.

Above all, put time aside to do what every visitor must surely do, go to the Monte and travel down by whicker sled. The Monte is an inland retreat town just above Funchal where the 19th century European rich established villas of healthy restfulness. See the Our Lady of the Mount church and then climb on your sled for a fun, rather than a heart trembling, descent.

It is corny and gimmicky and a tourist trap, of course, but none the less fun.

If you are the sort of traveller who likes an assignment during a holiday, apart from ploughing your way through as many paperbacks as possible in a 14-day break, then Madeira offers at least two. Tracking the British connection, which started with the marriage of Charles II to Catherine of Braganza and continued to the attack on British ships in the harbour by a U-boat in the 1914-18 War, is one.

Developing an expertise in the esoteric world of Madeira wines is another. There is an ample supply of helpful advice from the numerous wine lodges around the island.

A week in Madeira in January-March costs around £250, less for a basic hotel, more for one of a higher standard. To stay at Reids or one of its luxury rivals involves a price tag (including flights) of around £430 plus meals and surcharges for particular rooms.

Global, Thomas Cook, Thomson, Cadogan Travel, Suntours, Ellerman, Sunflight and Enterprise are among operators offering Madeira. Your travel agent will have details.

Guide to the West Country

BRITAIN'S West Country attracts guide-book writers in much the same way that it lures cream tea enthusiasts. Now, into this literary maelstrom, has leapt the corpulent figure of M Michelin with the first regional Green Guide for Britain. As might be expected from such an eminent gentleman, he emerges head and shoulders above the crowd.

Michelin's West Country is a thorough yet easily read examination of those appealingly independent lands that exist the other side of Stonehenge. It covers the counties of Avon, Cornwall (including the Scilly Isles), Devon, Dorset, Somerset and Wiltshire.

Michelin guide enthusiasts may not relish the somewhat chattier style in the writing of this one compared with others in the Green series.

Another innovation for the Green guides is the use of full colour for the illustrations.

Residents and regular visitors to the West may have fun arguing with the Michelin rating of some of its attractions (Glastonbury is "worth a journey" in its own right, yet Dorchester is only "interesting").

A more serious criticism is that while the guide shows the usual Michelin enthusiasm for churches and history, it is a little weaker on the depth of the West's involvement in the industrial revolution. Brunel gets scant space when compared with Hardy, and the Kennet and Avon Canal might hardly exist. It is, however, the best guide there is to the area.

Michelin, England — The West Country, £3.90.

MOTORING

A smooth run into 1986 . . .

By Stuart Marshall

THIS YEAR, I got it wrong. I forecast here two weeks ago that Renault's 25 would be Car of the Year 1985, followed by the Lancia Thema and Opel Kadett (Vauxhal Astra) in third place.

In the event, the Kadett was first, R25 second and Thema third. I did better further back in the field, correctly predicting that the fourth place would be taken by Honda's Civic, that the Seat Ibiza would be fifth and Austin-Rover's Montego sixth. Among the back markers, Mitsubishi did best, coming seventh with the Galant, followed by the Honda Jazz and Toyota Carina. (See panel for details).

Why did the Kadett win? Probably because both German and British members of the jury could identify with it as a national product. To us, it is not a Kadett but a Vauxhall Astra. I still think the R25 deserved to win, if only because it was a *newer* car than the Astra, which is essentially the old model's mechanicals in a lighter and far more aerodynamically effective body. Everything about the Renault is new except for the engines. The same can be said for the Lancia Thema.

The Civic, a quite outstanding small car, came near to pushing the Thema into fourth place. Soon, the Japanese must surely win Car of the Year; in 1987, perhaps, with the forthcoming joint venture Honda-BL project XX executive car.

I heard the results of Car of the Year as I flew to Spain to try the new Mercedes-Benz W124 series last week. Now there is a potential Car of the Year Award 1986 winner if I ever saw one.

The new cars, which replace the current 200, 230, 280 and 300 models, are of quite exceptional merit. In looks and in mechanical design, they are scaled-up versions of the Mercedes-Benz 190.

The 124 series of four-door saloons (and estate cars are not far away) fits in between the 190 and S-Class in size and presumably in price, though UK figures won't be known until next October, when the first right-hand drive cars are due to arrive.

For all practical purposes, they are the same size as the current W123 series cars. The new ones are fractionally narrower externally while maintaining the existing shoulder room inside. There is more space for rear passengers and the boot is bigger. The new cars are also lighter.

Buyers get a choice of three diesel and four petrol engines. The four, five and six cylinder diesels all have the same bore and stroke and use a number of common parts. The four and six cylinder petrol engines also have the same stroke.

Capacities are 2, 2.5 and 3-litres (diesel), 2, 2.3, 2.6 and 3-litres (petrol). Power outputs range from 72 bhp in the 200 diesel to 190 bhp in the 300E.

The four-cylinder cars have four-speed manual gearboxes as standard, five-speed manual or four-speed automatic transmissions as an option. The five-cylinder diesel and all the six-cylinder cars get five-speed manual gearboxes as standard, with an automatic option at extra cost. Power assisted steering is fitted to every one of the new cars. All may be equipped with ABS anti-locking brakes.

In effect, the buyer of a mid-size Mercedes decides whether his top priority is performance or economy and can then choose exactly the right car to suit his needs. Only the 300E—the most powerful petrol-engined model—eluded me at the launch.

The rains in Spain fell mainly on the plains between Seville and Jerez, the area where we drove the cars, last week. Some of the test route was flooded; much of my driving was in a downpour.

The basic four-speed 200 was no less impressive than the 2.6 litre petrol-injection car or the 300 diesel. All displayed that carved-from-the-solid feeling so typical of Mercedes-Benz yet had the lively reactions and nimbleness of the smaller 190.

For the first time, Diamler-Benz has used ultra-low profile tyres on a standard product. All the new cars are on 65 series tyres fitted to 15 inch diameter wheels. You detect the difference in the sharpness of the steering, not in increased road noise (never a strong point in the past). In fact, I thought the new cars made the occupants less aware of the kind of surfaces they were riding on.

Mercedes-Benz claims top speeds of between 99 and 118 mph for the diesels, 116 and 143 mph for the petrol-engined cars. I don't doubt it for a moment. The average fuel consumption for the entire range is said to be 28 mpg.

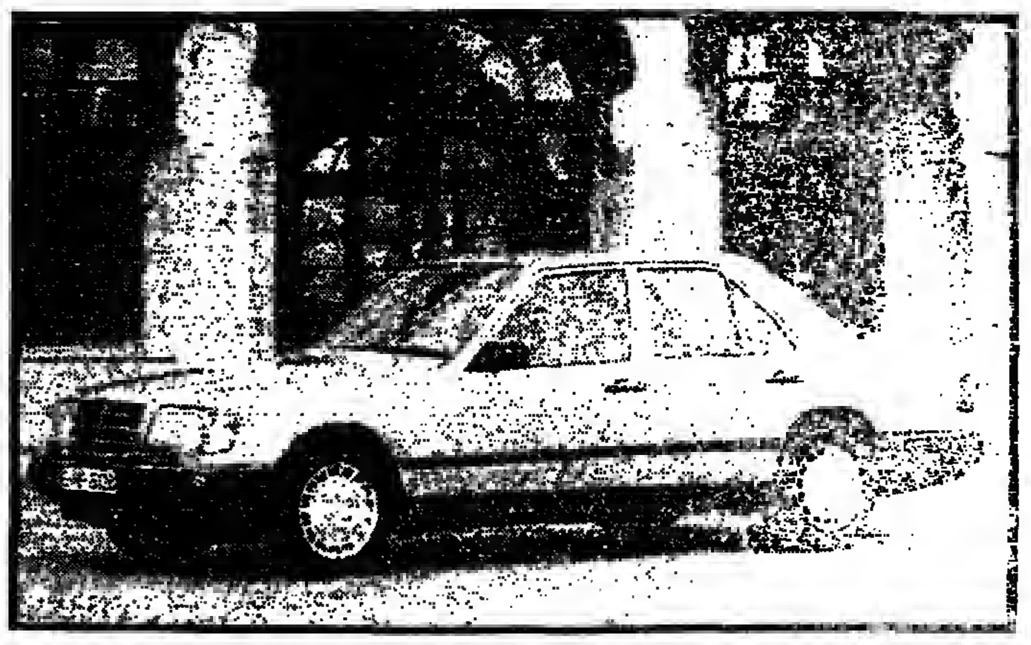
That must be a reflection of excellent aerodynamics, which haven't been achieved by reducing headroom or exaggerating the slope of front and rear screens.

The ride is a little softer than in the current mid-size Mercedes and I suspect the seats may not be quite so hard, but you need more than a series of very short test drives in a variety of cars to check that. Straight line stability on motorways is excellent.

Hurling a car round a series of tight corners may be entertaining but is hardly the kind of thing Mercedes owners do in the real world. Should they have to swerve violently, though, to avoid an accident they will find the new cars answer instantly and, frankly *flatter* any *normal* motorist's driving skill.

The single screenwiper wriggles as it sweeps from side to side, pushing the blade outwards to clear areas of glass that other single wipers cannot reach. The twin double-jet screenwash nozzles are electrically heated; there is a third sun-visor in the middle of the screen, tilting driving seat cushion and external lamp failure check. One could go on.

In short, the new Mercedes-Benz have everything a discriminating, quality-conscious motorist could ask for. It's hard to see how anyone could reasonably demand a better car.



The new Mercedes-Benz W124 series that will replace the existing mid-size range of cars. They are sleeker, lighter, faster and more economical, with traditional Mercedes-Benz solidity

Car of the Year 1985: the full results

		points
1	Opel Kadett/ Vauxhall Astra	326
2	Renault 25	261
3	Lancia Thema	191
4	Honda Civic	178
5	Seat Ibiza	172
6	Austin-Rover/ Montego	67
7	Mitsubishi Galant	34
8	Honda City/Jazz	12
9	Toyota Carina	10
10	Nissan Silvia coupe	8
11	Mitsubishi Colt (hatchback)	7
12	Nissan Bluebird	5
13	Suzuki SA 310	4

CHESS

LEONARD BARDEN

ENGLAND WON the silver medals at the Salonica chess Olympics this week, after a strong run in the closing rounds while the rival U.S. and Hungarian teams faltered.

It was our best ever performance in world teams chess. England won the bronze in the inaugural Olympiad in London in 1927 and again at Haifa 1976, but on both occasions the Russians were absent and overall competition was much weaker.

Final scores were USSR 41 out of 56, England 37, U.S. 35, Hungary 34½, Romania 33, with another 83 countries following.

John Nunn's was the outstanding individual result, not only among the English grandmasters but also of the whole Olympics. He totalled 10/11, nine wins and two draws, the best percentage of anyone in Salonica. Just as impressive was the style of his victories, which included some fine tactical play such as this game:

White: J. Nunn (England). Black: G. Sosonko (Netherlands).

Sicilian Defence (Salonica 1984).

1 P-K4, P-QB4; 2 N-KB3, N-QB3; 3 P-Q4, PxP; 4 NxP, N-B3; 5 N-QB3, P-Q3; 6 B-QB4, P-K3; 7 B-K3, P-QR3; 8 Q-K2, Q-B2; 9 0-0-0.

This attacking system is always hard to meet in practice, since Black has a dilemma over where to put his king. If he castles KR too quickly, White replies P-KN4-5 followed by P-KR4-5 and P-N6 with rapid escalation of threats. Hence Black tries to preserve flexibility with the options of keeping his king in the centre or even castling long.

9...N-QR4; 10 B-Q3, P-QN4; 11 P-QR3, B-N2; 12 P-KN4.

Suggested by Nunn himself in the new edition of Encyclopaedia of Chess Openings. Black's reply follows the maxim that you should meet an early flank attack by a central counter, but White has prepared a hidden sacrifice.

12...P-Q4; 13 PxP, NxQP; 14 N(Q4)xNP! PxN; 15 BxP ch, K-Q1.

Against the natural B-B3 Nunn had prepared 16 NxN, PxN; 17 B-N6 dis ch, Q-K2; 18 BxN, QxQ; 18 BxB ch, K-K2; 20 KR-K1 and wins.

Now if 16...BxN; 17 RxB ch! PxR; 13 R-Q1 with good attacking chances.

17 R-Q3, N-B5.

Here 17...B-B4 is a better chance. Black was relying on his 13th move. 18 R-B3, B-N5.

An ingenious defence (19 PxB? R-R8 mate), but White has a winning counter.

19 RxN, PxR; 20 R-Q1 ch, K-B1; 21 R-Q4! B-Q4; 22 RxB B-Q3; 23 R-Q4, Resigns.

Discouraged by his poor position, Black abandons ship prematurely. However, White's combined force of queen, rook and bishops will soon break through, eg, 23...K-N1; 23 RxP, Q-K2; 25 B-B6, R-R3; 26 R-N4 ch, BxR; 27 Q-N5 ch, K-B1; 28 QxR ch with mate to follow.

England's overall strategy, shaped by team captain David Anderton and described here on November 17, worked out well as the players held their own in the key matches against Russia, the U.S. and Hungary, then achieved his target of "plus 13" a round before the finish. Anderton's experience of major competition and his good rapport with the players has produced a decade of improving results.

Great credit should also go to merchant bankers Duncan Lawrie which have supported the England players since 1978. Duncan Lawrie has been an exemplary sponsor providing brilliancy awards for the best England games and hosting a send-off reception at their Hobart Place headquarters.

The team is still young in comparison with other major chess nations and the hope must now be that at the next Olympics in 1986 England can effectively challenge the Russians — Karpov, Kasparov and all—for the gold medals.

POSITION No. 545

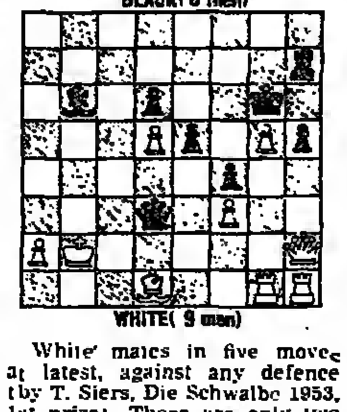
BLACK (4 men)

WHITE (11 men)

Albert (U.S.) v Mestel (England), Salonica Olympics 1984. Black (to move) sacrificed a rook for this position. With the time control at move 56, play went 53 . . . B-Q5 ch; 54 ch; 56 K-B1, B-K6 ch; 57 K-N2 and now Mestel went 57 . . . P-K5, "not the move I'd intended." Can you explain his crytic comment?

PROBLEM No. 545

BLACK (8 men)



WHITE (9 men)

White mates in five moves at latest, against any defence (by T. Siers, Die Schwalbe 1953, 1st prize). There are only two lines of play, but of course a five-mover is hard, and a real test of skill with rooks and bishops.

Solutions, Page 18

BRIDGE

E. P. C. COTTER

THE WORLD OLYMPIAD, which was held in Seattle, produced some tense, exciting finishes in the round robin. In the Opens, Poland, and in the Women's, Great Britain, just scraped through into the final stages.

Poland went on to win the final against France by 236 to 156 IMPS, but our women can count themselves unfortunate to have lost to the U.S. They actually outscored their opponents by 99 to 87, but the Americans had a carry-over of 22.5 as the result of having won the round robin encounter. Our men *finished* 8th in the plate.

Sally Horton played this hand beautifully:

```
            N
          ♠ Q 7 5
          ♡ K 10 5 3
          ◇ K 10 6
          ♣ A 4 2
W                     E
♠ A 6 3               ♠ J 10
♡ —                   ♡ J 9 8 6 2
◇ A 9 7 4 2           ◇ Q 8 5
♣ Q 9 8 6 5           ♣ J 10 7
            S
          ♠ K 9 8 4 2
          ♡ A Q 7 4
          ◇ J 3
          ♣ K 3
```

East dealt at a love score, and with one spade, North replied with two clubs, and raised the opener's rebid of two hearts to four.

West led the diamond Ace, and switched to a club. Declarer won with dummy's Ace, led a heart to the Ace, and learnt of the cruel 5-0 break. She cashed the club King, led a low spade to the Queen, and ruffed the last club in hand.

Then came a diamond to the King, a diamond was ruffed in hand, and the heart Queen was cashed. In the four-card ending dummy held two spades and the King, ten of hearts, while East held the spade 10 and Knave, nine, eight of hearts. Declarer led a spade—she had nothing else—West won, and the next spade was ruffed perforce by East, who had then to lead into dummy's heart tenace. Perfect timing.

In a round robin match Nicola Smith (née Gardener) showed fine technique to land her game contract in spades:

```
            N
          ♠ A 9 7 5
          ♡ J 8 6
          ◇ 8
          ♣ A Q 10 6 2
W                     E
♠ K Q 8 3             ♠ 4
♡ Q 9 7               ♡ 5 4 3 2
◇ J 6                 ◇ A K 10 9 7 3
♣ J 9 7 3             ♣ 8 4
            S
          ♠ J 10 6 2
          ♡ A K 10
          ◇ Q 5 4 2
          ♣ K 5
```

With neither side vulnerable, North dealt and bid one club, East overcalled with one diamond, and South said one spade. North raised to three spades — for which she had not the qualifications — and Nicola pressed on to four.

West's diamond Knave was taken by the King, and East returned a heart. South won with the Ace, and led the spade two, finessing the nine in dummy. When this held, declarer cashed King and Ace of clubs, and continued with the Queen.

East did not follow suit, and South discarded her ten of hearts. A fourth club was ruffed in hand, the heart King was cashed, and the Knave of spades was led to the Ace. Now the heart Knave was ruffed in hand, and a diamond was ruffed on the table. The last two tricks were taken by West's trumps. Pretty to watch.

The Bridge Player's Acol Diary for 1985 is sold out, but you may be able to obtain the EBU diary if you contact the

BOOKS

Son of Brum

BY ASA BRIGGS

Neville Chamberlain: Volume 1 1869-1929
by David Dilks. Cambridge University Press, £20.00, 645 pages

A biographer of Neville Chamberlain who reaches the end of his first volume in 1929 faces two formidable difficulties. First, he is bound to take mind of what happened after Chamberlain became Prime Minister in 1937. The pre-1937 years, indeed, now seem only a prelude. Second, and in many ways what is more difficult for him, if he thinks mainly in terms of the period itself, which has now passed completely into history, he has to write not one biography but two, or even three.

The complex relationships between Neville and Austen Chamberlain, brothers with different mothers, must be explored from each side; and their relationship as sons inevitably brings in Joseph Chamberlain also. Joseph's remarkable qualities overshadowed both of theirs. It was Austen whom he favoured, but it was Neville who was to go furthest. While their father lived, however, neither was able to assert total independence. Other relationships mattered far less to the brothers, except relationships with relatives and, in Neville's case, as in the case of his father, a special relationship with the city of Birmingham. It can be claimed, indeed, that the importance of the last of these relationships entails yet a third difficulty for the biographer. He has to write a profile of a city as a necessary part of the human story.

Professor Dilks grapples with all these difficulties. In a long and inevitably painstaking biography, which is based on careful research, he shows just how changing as well as just how complex Neville's relationship with Austen was. "Closely bound together in joy and sorrow, we feel so much with each other when we say least to one another," Austen wrote in 1906. Yet while the feeling persisted — and the reserve — the brothers played quite different roles then, and in the long run more significantly, in the muddy Conservative politics of the early 1920s. And it was Austen himself who wrote of his brother in 1924: "It is his coldness which kills. . . . He hates any sign of feeling at all. I think, because he feels deeply and is afraid of letting himself fall to pieces." Professor Dilks remarks cautiously that the remark, made privately to his wife, "was expressed in no point-scoring manner and will have contained at least an element of truth."

Neville's relationship with his father was at the root of all this, as, of course, was Austen's own "grand manner." Austen was sent to Cambridge, Neville to Andros in the Bahamas to grow sisal. The failure of the Caribbean enterprise taught Neville much. "I have been through enough roughing to last a lifetime," he wrote in 1891. He never doubted his father's instructions, but one of the most telling reactions of all was his statement, "Sometimes when I think of what failure means for Father and Mary I can hardly hold up my head." The statement should be set alongside Joseph's equally revealing complementary statement, "Remember, my dear boy, that my first interest is in you and Andros is only second."

Neville's civic work in Birmingham, at the same time a kind of repetition and a redemption, is well described by Professor Dilks. It has often been dismissed, of course, with Lloyd George leading the way; and even Neville's cousin Norman for whom he felt deep affection —the only book Neville ever wrote was a memoir of Norman, killed in action in France—told him in 1916, "when I come back I hope you will be running England and not dear old Brum." Yet Neville left "dear old Brum," which he served diligently and with imagination, only with regret and doubt. He was no more successful as Director-General of National Service than he had been as a planter in Andros, but once again it was hardly his own fault. The idea of his taking on the post was Austen's, the offer was Lloyd George's. Neither thought out its implications. Neville did not forget either circumstances or implications. Behind his reserve there was very strong feeling. It comes out occasionally in comments on other people, including Lloyd George and Balfour before him. It was to be of the very essence of his personality in the late 1930s. There was a certain obstinacy too. Yet ultimately Neville's main desire was to serve.

Neville did not enter Parliament until 1918 just before his fiftieth birthday, and it was a new Birmingham constituency, Ladywood, which returned him. His first office was that of Postmaster General, rather sketchily dealt with by Professor Dilks, but it was as Minister of Health between 1924 and 1929 that he made his reputation not only as an efficient administrator but as a reformer. He had previously held this post in 1923 and had even served for a time as Chancellor of the Exchequer before the fall of the first Baldwin government in 1924. Few men would have been willing to return to Health. Chamberlain was.

"You are a man after my own heart," Baldwin told him, not surprisingly. Already there was a new relationship to take into account there also. And this time there was real independence.

Chamberlain did not *ruminate* over problems in the abstract [Professor Dilks writes], or think aloud in public speculating about the nature of the English character and the practice of parliamentary democracy, as Baldwin did.

It was for this reason, first, that they could work well together and, second, that Neville built up a position of strength of his own inside the Conservative party.

Chamberlain: the early years are unfolded in the first volume of a new biography reviewed today

The story of what happened to Britain and to British politics during these years is not inspiring. Nor can its tone be raised either by tinctures of Baldwin rhetoric or stronger doses of Chamberlain "realism." The protectionist philosophy looks stale and the social analysis superficial. It is not strange that Neville found his main delights in gardening and in fishing. Yet Professor Dilks produces some unusual quotations. After reading the Hammonds' *Town Labourer* Neville wrote that "one feels rebellion would be more than justified over and over again in the face of such gross injustice and such brutal and inhuman oppression." When he went to Andros, he took *Middlemarch* with him, and he has claims to have known more of science than any of his major political predecessors. He kept a photograph of Darwin in his study. He was equally at home in an orchid house and a steel mill.

Morose lion

BY GEORGE WATSON

Leslie Stephen: The Godless Victorian
by Noel Annan. Weidenfeld and Nicolson, £16.50, 432 pages

Over 30 years ago Lord Annan, then a young Fellow of King's, Cambridge, published a slim life of Leslie Stephen, Virginia Woolf's father, which had grown out of a notion to write a book about Victorian agnostics in general. Now he has expanded it. It is "still not a biography," the new preface declares, the last half and more being a study of Victorian thought and its origins; and some of the additions, especially in the second half, have led to a loss of momentum. In its new dress the book looks more than ever like a swollen version of one of Johnson's Lives of the Poets—a brief section on character sandwiched between a long biography and a long critical essay.

In her novel *To the Lighthouse* Stephen's daughter, whom he called Ginny, has left a withering portrait of a domestic tyrant and wet blanket. The view from the lighthouse has not changed much in 30 years, though there is now less about Stephen's rationalism and more about his literary and moral ideas. But it is the opening chapters, which recount the life, that were and are the best part of the book. A sensitive boy bullied at Eton, Stephen turned into a rowing tough at Cambridge, a prodigious walker, Alpine climber and reforming don—resigning his Trinity Hall tutorship at the age of 30, in 1862, out of a loss of faith, to spend the remaining 40 years of life as a Kensington man of letters and the first editor of the *Dictionary of National Biography*. He was also the editor of the Cornhill and the author of 20 books. Noel Annan praises him as the first considerable critic of the novel in English, indifferent to the claims of his older contemporary R. H. Hutton: an achievement the more notable for the signal neglect of English prose fiction by Matthew Arnold.

The private life is perhaps less amiable, though even Virginia Woolf could mix praise with blame in her later years. Stephen was a family man, and this is a book packed with relationships, a topic that seems to fascinate Noel Annan beyond measure. A first chapter even conveys the suggestion that the Victorian intelligentsia were almost all related to one another by blood or marriage, which is to neglect some large exceptions, and the whole age emerges as a sort of intellectual version of the later Habsburg Empire in its maze of dynastic links. And almost everybody, what is more, is ultimately connected to the fountainhead of Cambridge, though Oxford men need not despair; a self-revelatory digression explains why a Cambridge man must even now feel at a disadvantage there.

And here nature follows art. Noel Annan was to follow Stephen's path from Cambridge to London a dozen years after writing the first version of this book, though for no irreligious reason, to become vice-chancellor of London University, so there is no reason why the autobiographical tinge should have diminished in revision. On the other hand, a more convivial subject might have suited so well-tempered a biographer better. Stephen often disliked visitors, a friend remarked that his favourite wind was from the east, and in talk he is said to have timed his snorts accurately. And there are tragic aspects to his life—less his loss of faith than his loss of two wives—that shadow the story with a dramatic sense of pain.

For all that, he is not the saddest among the great Victorians, and the new life is in no way dispiriting. That "astonishing lack of consideration for other people's feelings" of which Stephen's daughter was to complain in *To the Lighthouse* seems, on a long view, more characteristic of her than of him, and her later account suggests that what she supposed parental tyranny was more like an incompatibility of temperament: she a "nervous, gibbering little monkey," as she put it, he a "pacing, dangerous, morose lion." But he was adored by two intelligent wives, the first of them Thackeray's daughter, and admired by discriminating friends; and I suspect that Virginia Woolf's *Common Reader* essays are the true successor to her father's *Hours in a Library*, and that neither of them ever wrote better. The supreme genius for both was for the essay, in that case, though only the father knew it.

Noel Annan even suggests that, incompatible as they were, they shared in the end a single being—both gaunt and tall, given to sudden rages and depressions, at once great walkers and great workers. Seen from the lighthouse and at a distance, then, they are far from unlike, even in self-doubt. All good writers, we are reminded, are fundamentally modest, living as they do at the limits of their talents, and Stephen emerges here at the end as a man plagued by deafness and family insanity but still cheerful, capable and fundamentally unproud—almost eager, in fact, to be crushed by the drudgery of editing books of reference. It is upon the underpaid labours of such heroes that the archives of England are built.

Source of light

BY HAROLD BEELEY

The British Council: the First Fifty Years
by Frances Donaldson. Jonathan Cape, £16.00, 422 pages

This month sees the fiftieth anniversary of the birth of the British Council and Frances Donaldson's book appears in the context of celebrations designed to make the Council better known in Britain. Among those who have had the opportunity to watch its overseas representatives at work, there must be very few who have not been impressed by their personal qualities and the value of their activities. The long history of political resistance to the council's growth reflects the fact that to most voters (and many Cabinet Ministers) the council is an abstract entity whose financial support can be cut without much adverse effect in the constituencies. By implication Lady Donaldson absolves its other adversaries from more evil motives with her verdict on Lord Beaverbrook as "one of the few deliberately wicked men in British history."

Her book is in fact essentially the story of a Whitehall war of attrition in which, over the years, the British Council has gradually gained ground against almost unremitting pressures for the reduction of its cost to the Exchequer. It is as if a historian of the Yorkshire cricket club were to focus on its boardroom disputes with incidental references to the performance of the team in the field. It must be admitted, however, that this was probably the only way in which the effort of this half-century could be presented as a narrative, and the result is a fascinating essay in British administrative history.

The story began (five years before the creation of the Council itself) as it was destined to continue, with a Foreign Office grant of £2.500 for cultural activities which was suspended after the expenditure of £722 17s 5d. It was Rex (later Sir Reginald) Leeper of the Foreign Office who met and overcame this setback and who shares with Lord Lloyd the credit for setting the Council firmly on its feet. Even then, on the latter's death in 1941, Churchill was able to write: "On the whole I am inclined to think that its usefulness ended with the death of Lord Lloyd." This threat was averted by Anthony Eden, who was later to become (together with Edward Heath) one of the two Prime Ministers most sensitive to the value of the Council in our international relations.

Thereafter, although the British Council's continued existence was no longer seriously challenged, reductions of its grant-in-aid were threatened or imposed in all the recurrent financial crises of the post-war years, to the accompaniment of an endless series of inquiries into its status and functions, either in isolation or within a wider examination of the overseas information services.

Probably the most influential of these was conducted in 1952-53 by the Drogheda Committee, which proposed "a fundamental reorientation of the work of the Council—a change of emphasis from cultural to educational work and from the more developed to the less developed parts of the world."

The Drogheda recommendations were accepted, and provided the platform on which Paul Sinker, serving for 14 years as director-general, carried into effect the "major reorientation." He arrived at a time when appreciation was growing of the worldwide demand for English teaching, a demand for which the importance of relations with the U.S. was no doubt the major stimulant but which opened the way to a deepening of British influence. The expansion of the Council's work in this field led also to a revision of its relations with government departments in London, bringing it into closer relationship with the predecessor of the present Overseas Development Administration, which assumed financial responsibility for the educational aid administered by the council. By 1984 the ODA was funding more than half the council's budget.

The redirection of the council's work into more utilitarian channels came in its turn under criticism in the report of the next major committee, presided over by Sir Val Duncan. The Duncan committee's two principal recommendations exactly contradicted those of the Drogheda Committee. The intervening 16 years had seen the UK's movement towards membership of the European Community, and this was reflected in the conclusion that "there is now a strong case for shifting the balance of British Council activities towards Western Europe" and that more of its resources should be devoted to "the content of British culture." There has subsequently been a more balanced interpretation of the Council's purposes, defined by the present director-general as being "to create an enduring understanding and appreciation of Britain abroad through cultural, educational and technical co-operation."

A little surprisingly in the light of earlier vicissitudes, Frances Donaldson thinks it "not an exaggeration to say that the years 1979 and 1980 were the most threatening to the council in the whole of its history." Certainly the Thatcher Government has taken a narrow view of national prestige, and is less impressed by intangible assets than by their cash cost. In its first four years the Council's grant was reduced by 18 per cent, and further cuts are in preparation now. But the British Council has deep enough roots, and enough influential and articulate friends, to survive into more favourable times.

Dragons, frogs and pigs

BY ANNALENA McAFEE

If your children are old enough to open the windows of the Advent Calendar then they are old enough to enjoy Rod Campbell's Buster books for the very young. **Buster's Afternoon** (Blackie, £2.50, 15 pages) conceals surprises behind a flap on each page: a dog in a window, a frog in a flower bed. The flaps seem sturdy enough to withstand constant use. They would need to be.

A crop of new picture books for the over-fives deals with common fears in a helpful yet undidactic way. In **One Night at a Time** (Hamish Hamilton, £4.95, 30 pages) Susan Hill, better known for her adult novels, tells the story of Tom, who is plagued by bad dreams. Books about dragons, television cartoons, a shirt billowing on a washing line—all give him terrible nightmares until his mother finds a way to rid him of his fears. Vanessa Julian-Ottie's colour illustrations are affectionately old-fashioned.

Alison Coles deals with a similar problem in **Michael in the Dark** (Hodder and Stoughton, £1.95, 26 pages). She is aided by the delicately muted artwork of Michael Charlton.

The darkness in Ron Maris's **Are You there, Bear?** (Julia MacRae, £4.95, 32 pages) is bejewelled with menacing points of light. As the narrator turns the beam of a torch on them, the glittering gems reveal themselves as nothing more than the eyes of favourite toys. The words are simple with an incantatory quality that will also appeal to the under-fives.

Peter Curry has kindly presented the harassed parent with a ready made night-time ritual to send their offspring willingly to bed. **The Goodnight Book** (World's Work, £3.95, 32 pages) bids goodnight in verse to an assortment of animals and eccentric folk. The bold illustrations work well but one wonders whether the witch's silhouette on the final page will undo all Mr Curry's good work.

The link between fear and imagination is explored in **What's Behind That Tree?** (Blackie, £5.95, 24 pages). Blank verse by Leslie Williams is complemented by Carme Solé Vendrell's illustrations which are at once open and mysterious.

In **The Magic Island** (Michael Joseph, £5.95, 41 pages), Janet Marsh uses minutely observed nature drawings to surreal effect. Laura attempts to save her little brother Edmund from the jaws of a greedy pike by enlisting the help of a frog, harvest mice and a hawkmoth. This could be one of those children's books that parents, at least, will insist on buying.

The countryside is also the setting for Jenny Partridge's **Four Friends in Oakapple Wood** (World's Work, £5.95, 70 pages). The lives of the inhabitants of the wood — Lop-ear, Harriet Plume the squirrel and Grandma Snuffles the hedgehog —are depicted in intricate illustrations which recall those of Beatrix Potter.

More anthropomorphism from Liz Underhill, whose outstandingly ornate illustrations adorn her story **Pigs Might Fly** (Methuen, £6.50, 32 pages). Pa Pig prepares a special surprise for his wife's birthday and the news spreads fast, from the mice concealed in Rousseau-esque foliage to the Very Reverend Mole conducting the church choir.

Colin McNaughton's comic grotesques enliven the foldaway series of books published by Granada. **Monsters, Zoo, Circus, and Families** (£2.95 each) use the simple technique of wide pages which, unfolded, reveal an extra dimension to each picture: the green monster has three heads instead of one, the docile-looking zebra proves to be a multi-coloured mutant and the innocuous egg hatches to reveal two alligators.

A similarly simple technique is used by Ron Maris in his **Punch and Judy Book** (Victor Gollancz, £4.95, 25 pages). A quarter page-size insert between every two pages gives two pictures for the price of one. By flicking the insert from page to page, reading the accompanying "That's the way to do it" text, children can become their own puppeteers.

My Book of the Year—2

More critics' choices

● One intriguing book in a year full of good things is **The Crawford Papers** edited by John Vincent (Manchester UP, £35.00). The 27th Earl of Crawford was an unusual man, who touched *life* in many different ways; a private in the RAMC, he was also a cabinet minister and Chief Whip. He wrote a pioneering book on Donatello and played a major role in the development of the national consciousness of the heritage. His journals contain many details about political intrigues, but also about discussions at the National Gallery and British Museum. He served as a trustee of both institutions.

Kingsley Amis is one of the old masters of the contemporary British novel. He can be relied on for a book which is individual and penetrating into human motives: **Stanley and the Women** (Hutchinson, £8.95) is no exception and the characters and the situations have the oddness of real life. Like Hogarth and Rowlandson, Amis creates a world in which sharpness of human observation is relieved by humour.

DENYS SUTTON

● Hilary Spurling's **Secrets of a Woman's Heart** (Hodder & Stoughton, £14.95) belies its Mills and Boon title to present itself as a tough, truthful and enthralling biography—part 2 of Miss Spurling's investigation into Ivy Compton Burnett. No superficially uneventful life was ever made to seem so action- (and passion-) packed, no superficially forbidding lady of the pen made so human and approachable. As a contrasting companion-piece there is the more adventurist French approach to biography in Robert Benayoun's **Keaton** (Pavilion, £15.00). Packed with mythopoeic stills and eclectic text—everyone from Kafka to Garbo to Abraham Lincoln is invoked as film critic Benayoun tries to carve Buster Keaton into a world-historical context—the book is a challenge to the strongest coffee-tables and the sturdiest reading brains. And a challenge well worth taking up.

NIGEL ANDREWS

● The most impressive book I have read this year is **The Idea of Poverty: England in the Early Industrial Age** by Gertrude Himmelfarb (Faber, £20.00). At a time when the word "Victorian" is so much used as a term of abuse or commendation — but usually ignorantly — it is as well to be reminded how strenuously economists and moralists of the early 19th century wrestled with the problems created by the industrial revolution. This is a book of great intelligence which changed my view of the "bleak age" and increased my admiration for those who protested with such energy against the mantrap left by Malthus in their path.

Another book that filled what I suspect is a gap in most people's knowledge of the modern world is Malise Ruthven's **Islam in the World** (Pelican, £3.95). It is interesting, if less than reassuring, to have a convincing explanation of the emergence of the Ayatollah Khomeini. But Mr Ruthven discusses far more than that. I was fascinated by his remarks on the Arabic language. This is the ideal book to read before going to a Moslem country.

ANTHONY HARTLEY

● Having been — like the author — an involuntary guest of the Japanese army between 1942-45, I started J. G. Ballard's **Empire of the Sun** (Gollancz, £8.95) with forebodings. Most literature so far on the subject has been sensationalised, or gruesome or merely sickening. Not so Ballard: privations, disease, death, are there (and apparently to a far greater degree than in the actual camp where he lived through his earlier teens) but distanced, transported into art of a rare kind. The unimpassioned boy's eye view registers the nightmare as normality: almost as though he were a 20th century Huckleberry Finn, surviving amidst ravaged Shanghai and its camps. Compulsive reading.

More peaceably I have enjoyed Ann Saunders' **The Art and Architecture of London** (Phaidon, £22.50), and will continue to do so as I constantly refer back to it. It is an illustrated guide, divided according to districts. Almost an updated, narrative, version of Pevsner on London; less comprehensive on lesser individual houses of course, but finely illustrated, and while based on dedicated research in libraries no less than in the streets, most freshly first-hand in the telling.

DAVID PIPER

● Theatre books flew thick and fast all year, with Methuen and Faber sustaining a remarkable flow of unremarkable new plays. Simon Callow's **Being an Actor** (Methuen, £7.95) was funny, intelligent, and very well written. It charted Callow's journey through the last decade or so, scoring many a critical bullseye and ending with a timely, if contentious, attack on the tyranny of directors. I also relished Peter Nichols's wry and pawkily amusing autobiography **Feeling You're Behind** (Weidenfeld & Nicolson, £10.95). Like John Osborne, Nichols is a naturally gifted writer in the theatre who has *moved gracefully into confessional*, slightly revengeful, prose.

My new fiction gets read on holiday, one year late and in paperback, so this year's William Boyd and David Lodge will next year be replacing last year's William Boyd and Malcolm Bradbury which I read this year. Meanwhile, the poetry has been good and plentiful and I have pored profitably over Craig Raine's **Rich** (Faber, £5.95): marvellous poems and, as a bonus, an irresistibly vivid essay about the poet's disabled father, as imposingly bizarre a character as was Peter Nichols's.

MICHAEL COVENEY

● For sheer reading pleasure there has been little to match the third volume of Maqbool Aziz's edition of **The Tales of Henry James** (Oxford, £35.00) which covers the years 1875-1879. It opens with some rather uninspired apprentice-work but this is suddenly eclipsed by four minor masterpieces—"Four Meetings," "Daisy Miller," "An International Episode" and "The Pension Beaurepas." They were James's first successful treatment of Anglo-American relationships and their confident irony and narrative delicacy indicate clearly enough that a great novelist had found his own distinctive theme. The pleasure of rediscovering these stories is heightened by Aziz's fine edition which makes it possible to read them together in their original versions.

PETER KEATING

● The novel reader is faced with something of an embarras de choix this year, with all the big names in fiction having produced in number. But as far as I'm concerned, the most impressive and most memorable works to have appeared are Joan Didion's **Democracy** (Chatto & Windus £8.95) and Martin Amis's **Money** (Cape £8.95). Both novelists are working within familiar territory: Didion the ask-no-questions edginess of American colonialism; Amis the moguls of junk culture.

Joan Didion: American involvements

Both novels are rich in knowing allusion and apostrophe; in both, the novelists themselves make an appearance.

NIGELLA LAWSON

● Political folly is a great subject for study, and there is no historian today better suited to writing on it than Barbara Tuchman. Her book **The March of Folly** (Michael Joseph, £14.95) is a marvellous chronicle of some of history's really big and sustained errors of policy. We are talking here not about the classic one-off blunders, but of those occasions in history when an entire "establishment" traps itself so deeply in a mesh of "principle" and "fundamental commitment" to a mistaken view that common sense goes out of the window, new facts are ignored and all room for manoeuvre is destroyed.

Such was the story from Troy to Vietnam, although Mrs Tuchman's best piece by far describes how the mid-eighteenth century British political class pursued reckless policies over 15 years which were bound to lose them the American colonies, the one thing they wished to avoid. "Power to command" she observes "frequently causes failure to think"—a perfect text for "all those set in authority over us" to keep always on their desks.

My other choice, which was not alas, quite Booker's, is J. G. Ballard's **Empire of the Sun**, about the Japanese occupation of Shanghai (Gollancz £8.95). In a sense this, too, is a book born of a huge folly, the collective madness which seized the policy-makers of pre-war Japan and drove them into a war they could not win. But its perfection lies in the beautiful, descriptive writing. Through a young boy's eyes we see the decline of the Japanese soldiery from protectors into pathetic butchers, and the death, too, of one of the world's greatest and most glittering cities. These things can happen. They probably will again, under some misguided government, somewhere.

DAVID HOWELL

● I have chosen two novels from 1984. One a brain-teaser, the other quality escapism. First of all the quiz. What is the relationship between writers and their art? Of art to life? Of literature to its critics? Of the novelist to his reader? Of Flaubert to his parrot? You will not find the answers to any of these questions, including the last one, in **Flaubert's Parrot** (Cape, £8.50), but it will tempt you to read (or re-read) Flaubert, or Julian Barnes, or both. It explores all the questions above in 190 erudite, off-beat and very funny pages. A word of warning—it is the kind of book from which you will constantly want to read out snippets to someone else. So beware of becoming a Flaubert's Parrot parrot. The second is by an American, Ellen Gilchrist, called **The Annunciation** (Faber & Faber £4.95). It is the story of the life, loves and search for self-discovery of Southern beauty Amanda McCamey. Another feminist novel, you groan. Ostensibly, yes. In fact it has all the improbability of a good romance. If you can imagine Gone with the Wind written by Marilyn French this is it.

VALERY McCONNELL

● Despite criticism, all true, that the detailed descriptions of battles and campaigns are oppressive, the footnotes not always related to the line of text and the maps a disgrace, I still think John Erickson's **The Road to Berlin** (Weidenfeld & Nicolson, £20), the most distinguished book of history to be published this year. It is not only for military buffs but for anyone interested in a unique view of Stalin.

ZARA STEINER

● Two jokers in the pack get my enthusiastic vote this year. Nobody has given us more giggles than Arthur Marshall, from the day he invented his Angela Brazil style games mistress to his current, beaming appearances on "Call My Bluff." In **Life's Rich Pageant** (Hamish Hamilton, £8.95) he pulls back the curtain on the joke factory that has been his life. Here are family jokes, army jokes, jokes made by or told about his friends at the top of showbiz—and an unsuspected cutting-edge that one or two stinkers are deservedly allowed to feel. Hilarious and delightful from the first page to the last.

Michael Wharton, the columnist Peter Simple is a darkling man by comparison. As his autobiography **The Missing Will** (Chatto & Windus, £10.95) now reveals, he was born into a family of mixed Jewish, German and English blood (his real name is Nathan) and his career, until his Fleet Street apotheosis (at which point the book ends) was correspondingly mixed-up and bohemian. The jokes are bizarre and side-splitting, the sense of place and character haunting, and I don't expect to read a more honest piece of self-portraiture for a long time to come.

I also enjoyed, and found totally absorbing, **The Knight, the Lady and the Priest** (Allen Lane, £14.95) by the French historian Georges Duby (translator, Barbara Bray). This microscopic study of medieval marriage, from the relaxed state of affairs in which Charlemagne could run six concubines to the straight-laced, stabilised set-up still going today, is an eye-opener.

RIVERS SCOTT

● I choose **The Yeomen of the Guard** by Julian Paget (Blandford Press, £10.95), an additional rivet for those who are attached to royal tradition and pageant.

In 1485, that "private guard of faithful followers" who had served Henry Tudor at Bosworth became the first Royal Body Guard. Five centuries and 22 sovereigns later, the Yeomen of the Guard are still present at virtually every royal state occasion.

Nowadays there is a popular misconception (largely attributable to Gilbert and Sullivan's opera) which identifies the Yeomen of the Guard with the Yeomen Warders of the Tower. Jointly nicknamed "Beefeaters" (a term, incidentally, unpopular with both), the Yeomen of the Guard are now a part-time, symbolic royal escort, while their counterparts at the Tower are full time civil servants.

The Yeomen of the Guard celebrate their five hundredth anniversary next year, and in this well illustrated and affectionate history, Sir Julian Paget explains the origin of such quaint, vestigial offices as Yeoman Bed-Goer and Bed-Hanger, and the ceremonial search of the cellars of the Palace of Westminster, a legacy of the Gunpowder Plot.

JACQUELINE SHOREY

HOW TO SPEND IT

by Lucia van der Post

It's a cracker !

CRACKERS ARE an essential part of Christmas—without the paper hats, the corny jokes and the snapping sounds of crackers being pulled, it wouldn't seem like a proper Christmas. The trouble is when you set out to buy them you can hardly ever be sure of what it is you're buying.

If you mind most about whether they match your dining-room, then you are best to choose from outward appearances alone. These tend not to vary very much—most of the cheaper ranges are variations on the gold, red and green theme. The more expensive collections seem to go in for white and gold.

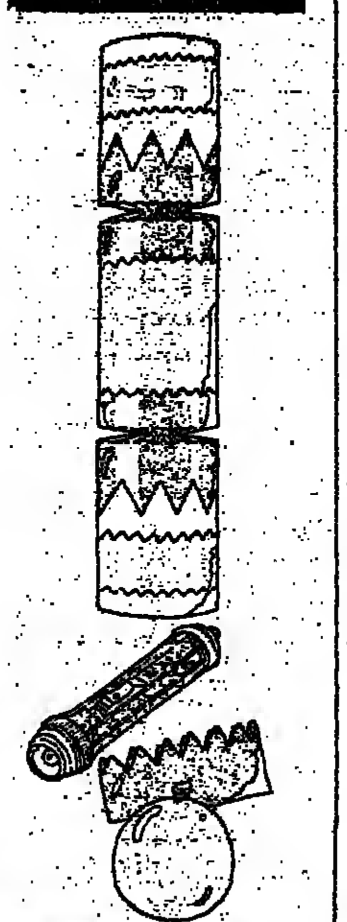
If you want something unusual you have to pay quite a lot more. To my mind much the prettiest cracker (and it really is deliciously pretty) is the Upper Crust selection stocked by Liberty. They would look good in most dining-rooms with their restrained colour scheme (a froth of white with gold and a little tiny red rose and red ribbon). However, at £4.50 each you are paying a lot for this kind of style.

Since I last did a similar excreise on this page two years ago, prices do not seem to have changed greatly.

Contents, on the other hand, seem to have improved enormously—the Habitat ones at £4.95 for six had perfectly usable mini-presents, while when it came to Harrods's Knightsbridge crackers (£13.95 for six) and Upper Crust crackers (£45 for 10) you really get exceptionally usable gifts. Two years ago the crackers we tested contained almost nothing anyone would want.

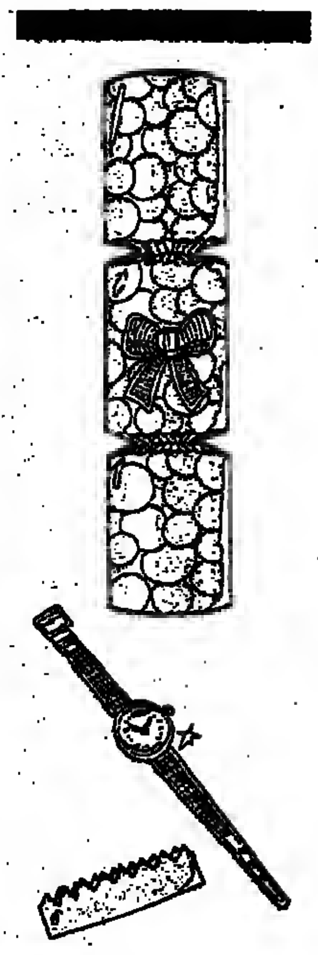
If you have footloose children, whom you'd like to keep out of trouble, you could always get them to make their own crackers. Stoneleigh Mail Order Company, 85 Princes Street, Southend-on-Sea, Essex, will supply you with everything you need, and you can then add your own contents.

For £1.25 you could buy a kit which will make six boxes of 10 crackers. You can buy a gross of snaps, hats and mottoes for £4.75 each—in which case you can use old cardboard tubes (from toilet rolls or kitchen paper rolls) and wrap them all up in crepe paper of your choice.



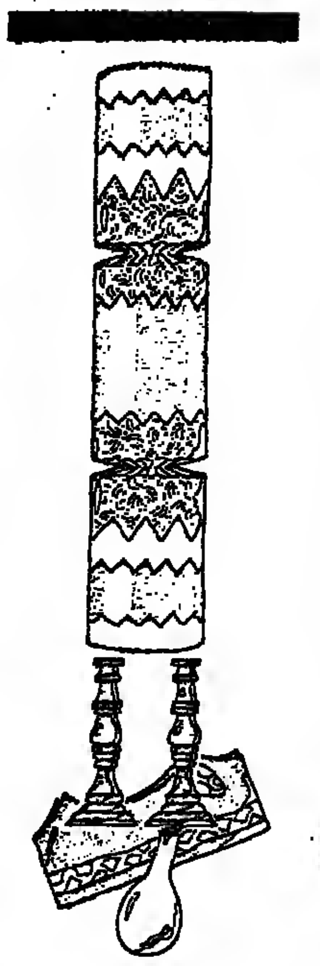
HABITAT, all branches. £4.95 for a box of six. Personal shoppers only.

More restrained in design than most and offering an alternative colour choice from the usual red, green, white or gold—these come in a sleek combination of marine blue, aquamarine and white. Certainly a very elegant design this, as you might expect from Sir Terance Conran's empire. Presents seem variable—ranging from a rather useless mini-plastic torch (I couldn't get it to work and if it doesn't work what is the point?) to a neat and useful pair of nail-clippers and a sweet mini-screwdriver set. Each cracker also comes with a paper hat, balloon, and a groan-inducing joke.



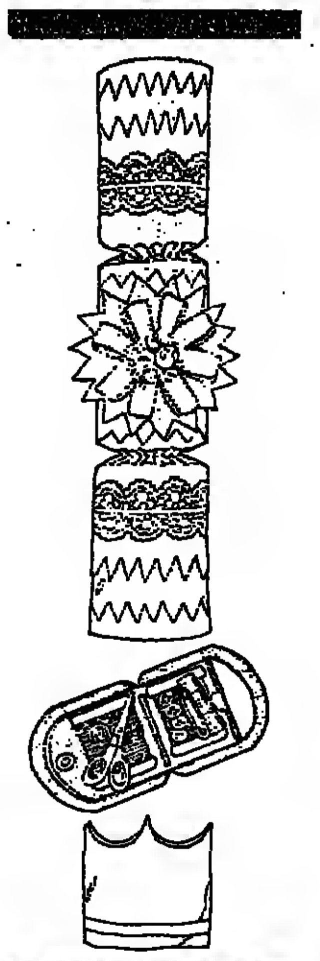
BOOTS, larger branches, £2.50 for a box of 12. Personal shoppers only.

The cheapest of all the crackers we tested. An unusual patterned paper cracker—quite pretty in its multi-coloured way (overlapping circles of gold, maroon, red, dark blue and emerald green) embellished with a gold foil bow. Nothing much in the way of gifts—flimsy little plastic models of watches, brooches, compasses, magnifying glass, etc, plus a paper hat and the obligatory joke or motto. Not worth buying for the gifts but an inexpensive way of providing decoration for the table and the fun of cracker-pulling.



HEAL'S, 196 Tottenham Court Road, London W1. £10.95 for a box of six.

Another very pretty cracker and possibly the best value of all. At under £2 a cracker these really did seem to offer the best combination of looks and contents at a reasonable price. In white, gold and silver they look festive but not garish—would become almost any table but are probably most suitable of all for a rather busy table as their streamlined looks would be a good foil. Filled with proper presents—the two we opened featured a pair of miniature brass candlesticks and a proper steel tape rule. Each one also has a paper hat, a balloon and a joke or motto.



HARRODS, Knightsbridge, London SW1. Knightsbridge Crackers, £13.95 for a box of six. Will post for £1.30 extra.

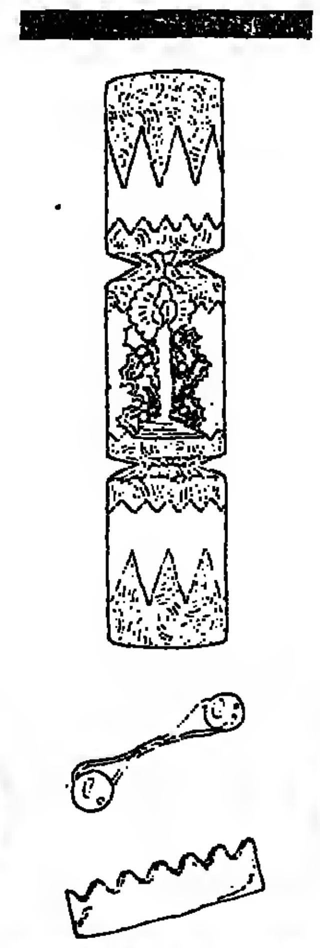
Very glittery, very decorative but expensive at just over £2.30 each. The outer wrapping is in traditional Christmas colours of red, gold and white(or they could be white, silver and gold).

The presents really are usable—a tiny little travelling sewing-kit which I would certainly find useful—and a paper hat. Other offerings include a mini-screwdriver kit, cufflinks, a mini-stapler, a nail clipper in a little case and some (obviously inexpensive) jewellery. If you'd like to give your guests something they really would keep and use these are good ones to choose. Every one also has a joke or motto—"all good clean family jokes."

LIBERTY, Regent Street, London W1. Upper Crust Crackers, £45 for a box of 10. Will post for £1.60 extra.

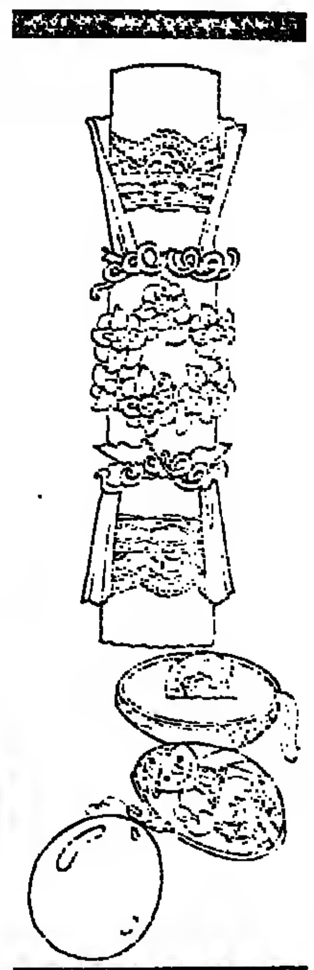
Much the prettiest of all the crackers. In white frilly crepe paper with a gold centre and the front finished off with a miniature parcel, crepe-wrapped and trimmed with a little red rose, it really looks delicious.

They have proper presents in the middle—the one we opened had a "gold" slim-line lighter that really works as well as the essential paper hat and corny riddle. Other presents include "gold" cuff-links, a money clip, five poker dice in a suede bag and a "gold" bar of soap. If you really mind about appearance and want to give each guest something to keep then these are undoubtedly the classiest crackers of all.



BRITISH HOME STORES, £2.99 for a box of 12. Personal shoppers only.

Another inexpensive cracker decked out in conventional Christmas garb—bright red and gold foil with a rather tatty gold, green and yellow foil "candle" stuck on the front. Offers rather more in contents than the Boots version (probably its nearest competitor on price) in that there is a hat, a novelty (in this cracker an elasticated hair bobble) but in addition there is a wonderfully corny joke in each cracker (to my mind, an essential part of the tradition). Other presents in other crackers included the sort of metal puzzles and maze games that children love.



NATURALLY BRITISH, 13 New Row, Covent Garden, London WC2. £15.95 for a box of six. Will post for £1.95 extra.

A pretty cracker this. Made from red crepe trimmed with white and the front is decorated with a miniature (plastic) green and red holly wreath. The contents of the crackers vary but an attempt has been made to give "proper" presents. The one sketched had a balloon and a tiny little enamel egg with a sixpence stuck in it but other fillings sound more interesting—a wine mulling kit, a pot-pourri sachet and tiny soaps. The shop also sells Victorian-style nostalgic crackers with similar contents at £3.95 each—very, very pretty.

Drawings by Anne Morrow

Museum Pieces

MUSEUMS are an often neglected source of some particularly attractive presents, and if you're looking for a change from the crowded commercial emporia you might think of combining a visit to one or other of the many museums up and down the country for a spot of Christmas shopping.

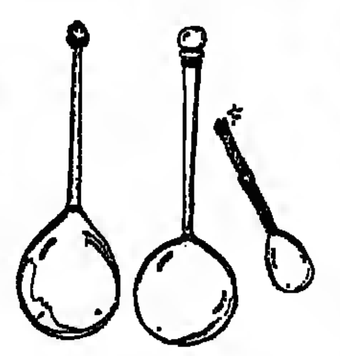
If you haven't yet discovered the British Museum's famous replicas, then this Christmas could be a good time to start. There is a splendid full-colour mail order booklet (write to British Museum Publications, 46, Bloomsbury Street, London WC1 for a copy) or, if in London, you could visit the shop itself in the museum.

You can choose from something as small as a pop-up book featuring six scenes from the Ancient Greeks (teach your child all about Knossos, Mycenae, Athens and Alexander the Great) for £2.50 (p+p 60p) or a 1985 Heritage Diary for £4.95 or something as elegant as one of their careful replicas of museum originals. For some of the larger replicas (like the Horse of Selene) there is a longish waiting list but you could buy this charming brilliant blue and black Egyptian cat (9 cm high) for £7.50.

There is also a charming selection of jewellery, including a copy of some bronze-age earrings at £18.95 the pair.

A less well-known collection of historically-based artefacts and presents are those to be found in the mail order catalogue put out by the York Archaeological Trust. All are based on original museum pieces and include things like Viking jewellery, some marvellous replica Roman glass (I particularly like the Roman beaker at £17.95, one of the first known blown drinking vessels) and the enchanting spoons featured here.

The spoons (one of which is a copy of those produced in York during the late 16th and 17th centuries and one of which is a replica of a Tudor one found aboard the Mary Rose), are made from silver or pewter and would make splendid presents. The disc end version



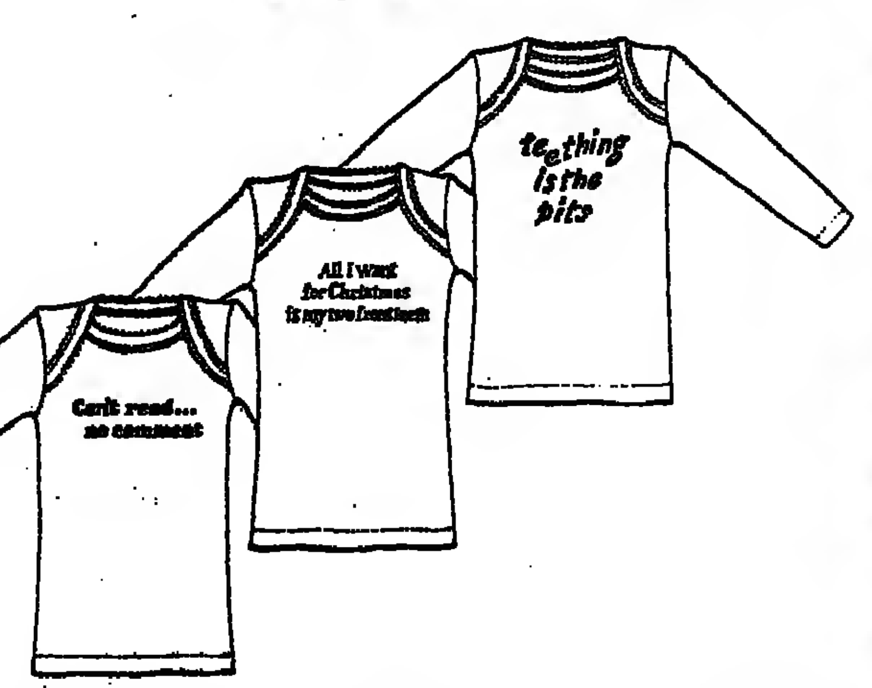
from York is £19.95 while the Tudor version (on the left) is in pewter and costs £9.95. The Iona spoon on the right is also £19.95.

From the catalogue you can also order the tea cosy sketched here—at £4.95 it is based on a copy of an 18th century Queen Anne house.

For a catalogue write to Mail Order Department, York Archaeological Trust, 3 Kings Court, Kings Square, York. If you are in York itself you can visit the shop at the Jorvik Viking Centre (after first looking round the village and seeing the dig and the original artefacts) where the Viking replicas are sold or go on to The Heritage Shop at 5 Lendel, York.

Drawings by Anne Morrow

Baby Talk



Anne Morrow

IF ANYBODY under two years old is on your present list I think these T-shirts are particularly appealing. Each of the three featured here is available in four different sizes — suitable for ages of three months, six months, one year and two years. Two of the T-shirts ("All I want for Christmas is my two front teeth" and "teething is the pits") are part of the standard range put out by Daughter & Sons but, as you might have guessed, "Can't read . . . no comment" has been produced especially for FT readers.

All the T-shirts are in fine 100 per cent white cotton, the lettering on "teething is the pits" is in red, on "All I want for Christmas is my two front teeth" is in red and green and on "Can't read . . . no comment" it is, what else, in FT pink.

The T-shirts are the brainchild of Mike Bridge who runs Daughters & Sons at 19 The Friary Centre, Guildford, Surrey, where they can be bought over the counter at £2.90 for short-sleeved versions and £3.45 for long-sleeved ones.

If you can't get to Guildford you can buy them by post (allow 14 days delivery) from Lushcourt, 49 Doneraile Street, London, SW6. (Allow 30p postage and packing for each T-shirt or 60p for three or more.)

ARTS

A Festival fracas

The Scottish Season on Radio 3, whose connection with Scotland was sometimes tenuous, though no worse for that, ended with November, and was given a good, no doubt coincidental, send-off on *Kaleidoscope* on November 30. John Parry presented a vigorous programme on the Edinburgh Festival, which he rightly called *Does Edinburgh Want a Festival?* Certainly what we heard from Councillor Mark Lazarovich of the district council's recreation committee seldom sounded as if it did. He wanted more items for the plebs, fewer for the élite, items that could be hawked around outside the City altogether. He would prefer the Festival's resources more equally divided around the whole year.

Frank Dunlop and John Drummond, the present and the last Festival Directors, went with him when they could, which wasn't often. As Mr Dunlop pointed out, the Festival isn't meant to be a local celebration but an international artistic event, a festival for the whole world. Some of his ideas are encouraging for festival-lovers like me—a permanent Scottish company to give Scottish works (that should please the Council, anyway) and a company of English-speaking players from all over; a resident orchestra for the Festival period, beginning, if things go well, with a ten-day visit in 1986 by the Boston SO. He also advised that the City should build a big theatre of 2,000 seats or more, for opera and ballet, and for visits to Edinburgh of musicals. Surely a city that could spend £400,000 on a velodrome for the Commonwealth Games could find £10m for an opera-house?

But no takers. There wouldn't be an opera-house; the money was needed for libraries and sports facilities. A lady from Craigmillar thought everything should be free. Meanwhile the rent of the Assembly Rooms, a democratic arts centre if ever I saw one, would go up by 20 per cent.

Edinburgh people complain that the Festival isn't for them but for the visitors. What's so awful about that? As an American visitor said, "There's a palpable sense of festival, everybody likes it, people get the buzz from one another." To put the argument on a lower level, an expenditure of about half a million pounds brings in trade worth £30m.

Father Brown made a poor start on Radio 4 on Sunday. In this first of seven tales, the Father marks the route on which he is travelling with master-criminal Flambeau by a series of eccentric acts. The point was that these should be discovered and interpreted by the police, so Father Brown was offstage most of the time, and we were left with some half-witted cops. John Scotney's adaptation aims at brows lower than Chesterton's. Father Brown was given too little individuality by Andrew Sachs; Flambeau was Oliver Pierre.

Patrice Chaplin's *The Other Lake* (Radio 3, Wednesday) was an old-fashioned second-sight piece. Jane (Janet Mawl became obsessed with a T'ang vase given to her boss, the prima donna Alex (Siân Phillips) by her lawyer, and lover, Jonny. Jonny then became Jane's lover, because it was so ordained in the vase's previous history: it had belonged to the Chinese Empress Wu 1,000 years earlier: Jane had ben the Empress's daughter, and made the pot; Alex was the Empress, Jonny was a Dutch traveller who Jane had had a fatal affair with in that earlier life. Only Jane knew what was happening, though the rest suffered the necessary physical correspondences, such as sore throat, nervous paralysis and loss of singing voice. Cherry Cookson's direction was tiresomely trimmed with mock-Chinese music, "specially composed" by Iona Sekacz. I found no poetry or rapture, just plain romance.

Radio 2, nostalgia mad as ever, has found another formula for reintroducing listeners to items they love. Monday saw the first of eight programmes of *Cinema Scrapbook*. Chris Kelly, its presenter, had equipped himself with a theme to make his extracts sound as if they illustrated something, the something being the industry's efforts in the 'fifties to combat television with novelties like 3D and wide screens. So we heard, in rather too short examples, Robert Wagner as Prince Valiant, Tyrone Power as King of the Khyber Rifles, Sinatra singing (unusually badly) "Three Coins in the fountain," Spencer Tracy in *Bad Day at Black Rock*, Humphrey Bogart in *The Caine Mutiny*, and so on. And on Fridays, Daniel Pageon, in his consciously French voice, introduces stars from the Paris Olympia in the 'sixties—less nostalgia, but better radio material.

RADIO

B. A. YOUNG

See a show this Christmas

BY MICHAEL COVENEY

Most of us, trying to recall our first theatre experiences, think of pantomime. Indeed, for many people, the annual panto is their only theatre experience, a fact supported by the unprecedented boom in advance bookings throughout the country this winter. Theatre managements from the mightiest to the humblest are sustained by the box office income over the next two months.

This surge in business is not really reflected in London. The biggest Christmas shows in the capital have a lot of competition from already installed attractions like Russ Abbott in *Little Me* at the Prince of Wales, or Tommy Steele in *Singin' in the Rain* at the Palladium, not to mention *Cats* and *Starlight Express*.

But it will be worth considering the claims on your purse of the accomplished ventriloquist Keith Harris with his disarming green duck Orville in *Humpty Dumpty* at the Dominion (opening December 21); or perhaps Roy Dotrice as Magwitch in *Great Expectations* at the Old Vic (January 2); you can certainly rely on the RSC's second revival of *Peter Pan* at the Barbican (December 19) with Jane Carr returning as the definitive Wendy.

More traditional fare is to be found in the suburbs. The second Royal Pantomime Performance, with a gala organised by Gyles Brandreth on behalf of the National Playing Fields Association on December 17, attended by Princess Alexandra, and presented by Duncan Weldon for Triumph Apollo, is *Jack and the Beanstalk* at the beautiful Richmond Theatre, with such delightful veterans as Jimmy Edwards, Kenneth Connor and Joan Sims. Paul Nicholas and Bonnie Langford are in *Cinderella* at the cavernous Wimbledon Theatre (December 19).

For charm and style, less expense and more cheeriness, I would gamble on *Red Riding Hood* out at Stratford East (December 13) or *Sleeping Beauty* at the Shaw (December 13) with the intriguing prospect of Jill Gascoine playing opposite Barry Cryer, gag writer and funny speechifier supreme. The Shaw has a strong production team line-up of Graeme Garden (book), Denis King (music), Murray Melvin (direction) and Richard Bullwinkle (designs).

Also around London you will find Frank Windsor and Mark Wynter in *Treasure Island* at the Ashcroft, Croydon (December 18); Dennis Waterman and Rula Lenska in *Cinderella* at the Beck Theatre, Hayes (December 13); Barbara Windsor still slapping her thighs and one hopes, Nicholas Parsons, in *Dick Whittington* at the Orchard in Dartford (December 15); and the Watford Palace panto, always good, which this year is *Aladdin* (December 17) with Peter John one of our best unsung dames.

A rather more sung dame is Danny La Rue, who attempts to make amends for last year's disaster in *Hello Dolly!* in a lavish new £200,000 *Mother Goose* at the Theatre Royal in Plymouth (December 18), one of the finest new theatres in the country. Peggy Mount was billed opposite but, alas, has just suffered a heart attack. She is replaced by Patsy Rowlands, a brilliant comedienne. This is the flagship production of Triumph Apollo, whose Duncan Weldon is one of the three big

Panto is in Weldon's blood. Growing up in Southport, he remembers seeing Jewel and Warriss, Vic Oliver, George Formby and Douglas Byng pantomime purveyors this year, (though not all on the same bill) in the heyday of the Liverpool Empire. Weldon was stage-managing at the Garrick in Southport when the great Norman Evans (on whom Les Dawson has modelled himself) gave his last dame.

For Weldon and Triumph, panto is a money-maker, not, he insists, money-spinner. Apart from the Richmond and Plymouth shows, he is also responsible for *Aladdin* at the Bristol Hippodrome (December 22) with Little and Large, Isla St Clair and—now the good news—Alfred Marks and the Great Soprendo; and for *Babes in the Wood* at the Chichester Festival Theatre (December 14) which will be anything but dull with Spike Milligan disrupting the efforts of Bill Pertwee, Evelyn "Boo" Laye and Janet Mahoney.

The final Triumph offering, just opened in Plymouth before setting off for Bath and Guildford before arriving at Sadler's Wells on January 15 is a new *Wind in the Willows* by Willis Hall and Denis King with Terry Scott as Toad and Patrick Cargill as Ratty.

Weldon's former colleague Paul Elliott has an equally impressive nationwide line-up. West country jollity will be no whit impaired by Eric Sykes and Norman Rossington in *Dick Whittington* at the Theatre Royal, Bath (December 24). Elliott is also responsible for Su Pollard and Matthew Kelly (he might have a lot to answer for there) in *Aladdin* at the Manchester Palace (December 15); Peter Wyngarde in another *Aladdin* at the His Majesty's in Aberdeen (opened last night); Toni Arthur and Peter Byrne in *Jack and the Beanstalk* at the Arts, Cambridge (December 14); Ted Rogers, Lynsey de Paul and Gareth Hunt in *Goldilocks* at the Bournemouth Pavilion (December 20); and a *Hi-De-Hi* mob led by Paul Shane in *Babes in the Wood* at the Lewisham Theatre (December 26).

John Inman plays Mother Goose in Bromley

A third network of shows is run by Peter Elliott (no relation) of the Elliott-Young Agency Ltd, and they have three top class panto experts on the books: Billy Dainty is in *Dick Whittington* at the Apollo, Oxford (December 26), Roy Hudd in *Cinderella* at the Theatre Royal, Nottingham (December 22), and John Inman, a really fine dame, in *Mother Goose* at the Churchill, Bromley (December 15). Also from Peter Elliott come the Krankies and Julie Rogers in *Cinderella* at the Theatre Royal, Newcastle (December 14) and Marti Caine joining that painful TV comedy duo in *The Cannon and Ball Christmas Show* at the Birmingham Hippodrome (December 21).

A lucky dip in the subsised sector yields two already running *The Lion, the Witch and the Wardrobes* at the Glasgow Citizens and Newcastle Playhouse to add to the Westminster Theatre version which opened last night in London: Barrie's *The Admirable Crichton* at the Royal Exchange, Manchester (December 13); *Annie* at the Connaught in Worthing (December 24); *Red Riding Hood* already open at the Oldham Coliseum; *Jack in the Beanstalk* at the Nottingham Playhouse (December 6), a venue that has already had a month of *A Christmas Carol*, if you please; *The Snow Queen* at the Edinburgh Lyceum.

For the very young (four to eight-year-olds) the excellent Polka in Wimbledon has a *Pinocchio*, as does the cosy Watermill at Newbury (opened last night). Children's theatre Diaghilev, David Wood, has revivals of *The Gingerbread Man* at the Bolton Octagon, Brighton Gardner Centre, Southampton Nuffield, as well as at the Bloomsbury in London. One of my favourite Wood shows, *The Nutcracker Sweet*, is at the Library in Manchester. Another good one, *The Selfish Shellfish*, is at the Brewhouse, Taunton. The TV *Button Moon* puppets are at the Jeanetta Cochrane (December 15) and Flying Tortoise present *Rainbow Man* at the Chester Gateway (opened Thursday).

Finally, of the known London quantities, for sheer uproarious laughter, and a very fine farce to boot, I would take all the family to Ray Cooney's *Two Into One*, starring Donald Sinden and Michael Williams, the Shaftesbury; or, if you have not yet seen it, Michael Frayn's *Noises Off* at the Savoy, now with Michael Medwin and Hugh Paddick. The musical for discriminating adults is *On Your Toes* at the Palace rather than *42nd Street* at Drury Lane. And for children of all ages, if you can get in, Lloyd Webber's *Starlight Express* remains good value.

Rubens for Kenwood

A major early work by Sir Peter Paul Rubens, *The Holy Family*, has been placed on long term loan to Kenwood, one of the Greater London Council's historic houses. It can now be seen in the dining room, where it joins the collection of masterpieces by Rembrandt, Vermeer and Frans Hals.

Répons Mark III

BY DOMINIC GILL

The computer-music revolution of the last decade has given birth to a great number of compositions which are in essence technical essays and experiments, and which mostly sound like essays and experiments: catalogues, by and large, of possible effects, possible avenues of exploration, engendered by the spirit of the studio technician rather than the composer. There is no lack of courageous adventure: but the theory is often more exciting than the practice.

That's broadly fair generalisation: the majority of serious composers either do not have access to the new technology, or (perhaps more often) are suspicious and shy of it. As the director of IRCAM, the labyrinth of high-tech musical research buried deep under the Place Saint Merri next to the Centre Pompidou in Paris, Pierre Boulez has been uniquely positioned to take advantage of the institute's remarkable facilities. His Répons has been some time in the making, and is not yet complete: but even if for various reasons it cannot justly be caled the first masterpiece of a new genre, it is arguably at least the first masterpiece to emerge from the Parisian labyrinth.

Répons is only the second work of major importance that Boulez has composed since *Rituel* ("In Memoriam Maderna") of 1974-75—the oher is the orchestral *Notations*, unveiled by the Orchestre de Paris under Daniel Barenboim in 1980. It is, charactistically, another "work in progress," as yet unfinished—like *Notations*, too, and like many other works before it, *Répons* continues to put out new shoots with each succeeding season: *Répons 1* (as the various versions have come to be informally numbered), lasting 20 minutes, had its premiere at the Donaueschingen Music Days in October 1981; *Répons 2*, first presented a year later at the Proms in London, was ten minutes longer (and reviewed then on this page); a "definitive" version, *Répons 3*, lasting some 40 minutes, arrived recently in Paris in a performance given by the Ensemble InterContemporian directed by the composer.

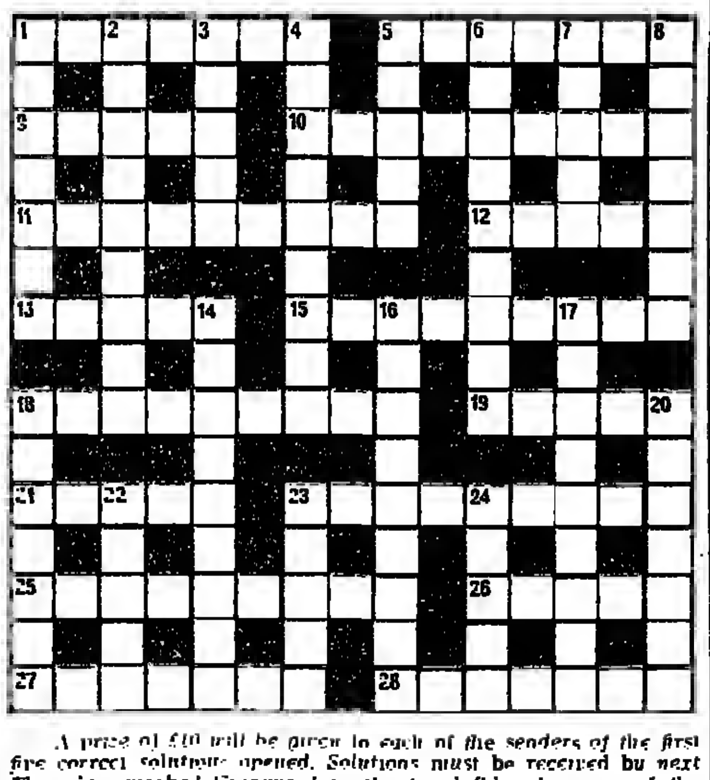
I say "characteristically," for the genesis of nearly all of Boulez's major works has been one of obsessive re-structuring, re-ordering, re-casting; and many of them, like *Eclat/Multiples* of 1966, have grown over the years, piecemeal and "open-ended," elaborated fold upon fold, from much smaller first inspirations. The web is often complex. *Eclat/Multiples* itself, for example, began life as the solo piano *Don* in an early version of another piece, *Pli selon pli*, and was re-formed as *Eclat* before reaching its (even today still unfinished state.

Remarkably enough, none of Boulez's previous works, even those which have undergone the most radical alterations and transformations, have at any stage in their development sounded tentative or unfinished. *Répons* seems to be the first exception: intriguing, but somehow suspended, indecisive in its early versions; and only now beginning to take on its eventual, clearly perceived shape. The latest, "definitive" *Répons* is still not complete: several more minutes (perhaps as few as two or as many as 20) remain to be written. But it now has a texture and a character entirely its own, and a superb final coda, unwinding into darkness and silence.

And it is certainly to the buoyant, open-ended elaborations of *Eclat-Multiples*—rather than the more austere and "finished" soundworld of *Rituel*—that Boulez returns in his *Répons*. Like *Eclat*, the piece is a kaleidoscope of conversations, collisions, contradictions—brittle, skittish, poignant, and always surprising. The scoring is for chamber orchestra and six instrumental soloists (two pianos, harp, vibraphone, xylophone and cimbalom), supported by an array of equipment and no less than six technicians who oversee the various computer-transformations of the soloists' material and direct them to a battery of loudspeakers around and above.

It may be significant that the main new section of about eight minutes' duration which Boulez has added to his third version of *Répons*, just before that coda, is a brilliant, incisive antiphony between amplified soloists and ensemble in which the computer plays no role. It is for me also one of the most effective and memorable passages of the piece, and one of those (together with the *marche funèbre* for instruments and pre-recorded tape which originally ended *Répons 1*) whose resonance is slowest to fade. In both of these substantial sections, the computer is *tacet*. I doubt, even granted some of the very interesting transformations it had wrought earlier on the soloists' material, whether its role was ever *musically* fundamental: ever more than expensive icing on a masterly traditional recipe.

F.T. CROSSWORD PUZZLE No. 5,590



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

....

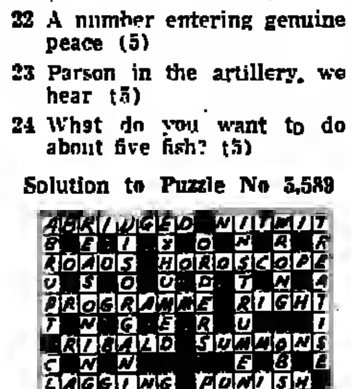
ACROSS

1 Very cold in old time, the French vehicle (7)
5 Not the prototype of Twain? (4, 3)
9 Historic can of fish about half full (5)
10 Agricultural implement for tuning? (9)
11 Small quantity of cake? (5, 4)
12 Bill Hill is in play (5)
13 Boat for German eight after start of year (5)
15 Before carriage I am a fraud (9)
18 Correcting fault needs fast time—windy? (9)
19 Call with operator, possibly from pub (5)
21 Animal doctor with companion plant (5)
23 Trickster given the sack with stringed instrument (4-5)
25 Use Berlin for hair-do (4, 5)
26 Exclamation used by asylum members (5)
27 Brown, in France, keeps small English weapon (4, 3)
28 Red? Dead? Both together could be terrible (7)

DOWN

1 Yap? One's got it coming to one (4, 3)
2 Little bread on card with a lot of shellfish (9)
3 Branch of the services (5)
4 Revelation of evil poxes could be dynamite (9)
5 Vehicle requiring test of gold (5)
6 Receives in genuine run through (9)
7 Model's defeat by fish (5)
8 A reek to develop with apples, perhaps (3-4)
14 Girl'd put in fruit basket—can't one lie on it? (5, 4)
16 Apostle's relationship to church near Aberdeen (9)
17 Relation, curtailed, intended remaining in the left luggage (9)
18 Crown of earlier days (4, 3)
20 Di and Pearl combine to make out words (3-4)
22 A number entering genuine peace (5)
23 Parson in the artillery, we hear (5)
24 What do you want to do about five fish? (5)

Solution to Puzzle No 5,589



BBC 1

† Indicates programme in black and white

8.50 am The Perishers.
8.55 The Littlest Hobo.
9.00 Saturday Superstore.
12.12 pm Weather
12.15 Grandstand including 12.35 News Summary; Football Focus with Bob Wilson; Racing from Cheltenham at 13.30, 1.05, and 1.40; Skiing: The Men's Downhill from Val d'Isere, France; Rugby Union: Scotland v Australia at Murrayfield; Trampolining: The Hermesetas World Cup from Crystal Palace; Motor Racing: The BBC Grandstand Formula Ford 2000 Series, from Brands Hatch; and at 4.40 Final Score.
5.05 News
5.15 Regional variations.
5.20 The Tripods
5.45 The Noel Edmonds Late Late Breakfast Show.
6.40 "The Intelligence Men," starring Morecambe and Wise.
8.20 Dynasty
9.10 News and Sport.
9.25 The Secret Servant.
10.20 Wogan.
11.10 Match of the Day.
12.00 "A Guide for the Married Man," starring Walter Matthau

REGIONAL VARIATIONS:

Wales—5.15-5.20 pm Sports News Wales.

Scotland—5.15-5.20 pm Scoreboard. 11.10-12.00 Sportscene.

Northern Ireland—4.55-5.05 pm Northern Ireland Results (opt-out from Grandstand). 5.15-5.20 Northern Ireland News. 1.30-1.35 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—Sport: South West (Plymouth)—Spotlight Sport and News: All other English regions—Sport/Regional News.

BBC 2

11.25 am-12.40 Open University.
3.10-4.40 Saturday Cinema double bill: "The Overlanders," starring Chips Rafferty and Daphne Campbell.
4.40 "Separate Beds," starring James Garner, Lee Remick, Phil Harris and Jim Backus.
6.25 A vous la France!
6.50 Shakespeare in Perspective: "Pericles," the poet P. J. Kavanagh offers a personal view.
7.15 News and sport.
7.30-8.20 Rugby special.
8.20 The Saturday Alternative: "Pericles," Prince of Tyre—one of Shakespeare's more controversial plays
11.20-1.20 am The Italian film, "Roma": Fellini's homage to Rome, fantasy and a parade of grotesques.

SOLUTION AND WINNERS OF PUZZLE No 5,584

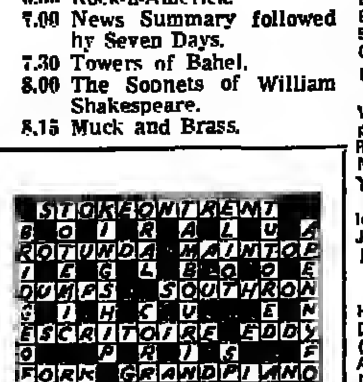
Ms E Wilkinson, Aireyholme House, Great Ayton, N. Yorks.

Mr F Wilson, 26 Hillsborough Road, Carryduff, Belfast, N. I.

Mr D Berry, 94 Ambleside Drive, Southend-on-Sea, Essex.

Mr H Thomas, 5 Joanna Drive, Finham, Coventry, W. Midlands.

Mr C Jefford, 49 Chemin de Saussac, 1256 Troinex (GE), Switzerland.



LONDON

6.00 am TV-am Breakfast Programme. 9.25 Cartoon Time. 9.30 Fraggle Rock. 10.00 Saturday Starship. 11.20 Space 1999.
12.15 pm World of Sport: 12.20 World Cup Skiing — The Men's and Women's Downhills from Val d'Isere, France; 12.45 News; 12.50 On the Ball; 1.15 Racing from Wetherby (introduced by Derek Thompson). 1.30 Darts—The Winmau World Masters from The Rainbow Suite, Kensington; 1.45 Racing from Wetherby; 2.00 Darts; 2.20 Racing from Wetherby; 2.35 Darts; 3.10 Snooker — The Hofmeister World Doubles Championship from Northampton; 3.45 Half-Time Soccer Round-Up; 4.00 Snooker; 4.45 Results.
5.00 News and Sport.
5.05 Candid Camera.
5.35 Blockbusters.
6.05 The A-Team.
7.00 Tarby and Friends.
7.45 Punchlines.
8.15 3-2-1.
9.15 News.
9.30 Snooker—The Hofmeister World Doubles Championship.
11.45 A Tribute to John Lennon.
12.30 am London News Headlines followed by Bellamy.
1.15 Movie Premiere: Joan Collins in "The Bitch."
2.55 World Club Championship Football: Liverpool v Independiente, live from Tokyo.
4.55 Night Thoughts with the Bishop of Durham, David Jenkins.

CHANNEL 4

1.05 pm Making The Most Of . . . your leisure time.
1.30 Chips' Comic.
†2.00 "Kid Glove Killer" starring Van Heflin.
†3.20 "Fourteen Hours" starring Richard Basehart with Paul Douglas, Barbara Bel Geddes, Debra Paget and Agnes Moorhead.
5.05 Brookside.
6.00 Danger Man.
6.30 Rock-n-America.
7.00 News Summary followed by Seven Days.
7.30 Towers of Babel.
8.00 The Sonnets of William Shakespeare.
8.15 Muck and Brass.
9.15 Twenty Twenty Vision: Child Sex Abuse.
10.00 Hill Street Blues.
11.00 Pushing up Daisies.
†11.30 "Taste of Fear" starring Susan Strasberg with Ronald Lewis, Ann Todd

S4C WALES

1.00 pm What the Papers Say. 1.15 A Week in Politics. 1.55 Rygbi. 3.35 A Plain Man's Guide to Advertising. 3.55 The Wine Programme †4.25 The British At War. 5.20 The Avengers. 7.20 Superted. 7.30 Newyddion. 7.45 Sion a Sian. 8.20 Seirff a godant ymith. 9.19 Y maaa chwarae. 10.05 Callan. †11.05 Feature Film "Jessy," starring Margaret Lockwood, Patricia Roc and Dennis Price.

REGIONS

IBA Regions as London except at the following times:

ANGLIA
11.20 am Tarzan. 12.30 am At the End of the Day.

BORDER
9.30 am The Jacksons. 11.20 Battlestar Galactica.

CENTRAL
5.25 am Foghorn Leghorn. 9.30 Fangface 11.20 The Six Million Dollar Man.

CHANNEL
8.25 am Cartoontime. 8.35 The Jacksons. 5.57 Puffin's Pla(i)ce. 11.20 Tarzan 12.14 pm Channel Islands Weather Summary. 5.05 Puffin's Pla(i)ce. 5.10 The Smurfs. 5.35 Candid Camera.

GRAMPIAN
9.35 am The Jacksons. 11.20 Chips. 12.30 am Reflections—with Rev Stewart Jeffray, Minister of St George's Church, Tillydrone, Aberdeen.

GRANADA
9.30 am The Jacksons. 12.30 am Hawaii Five-O. 1.15 Joan Collins in "The Bitch." 2.55 Football: The World Club Championship.

HTV
9.25 am The Wonderful Stories of Professor Kitzel 9.30 The Jacksons 1.20 Father Murphy. 12.13 pm HTV News
HTV Wales—As HTV West except: 11.45 pm Cup Rugby—Bob Symonds commentates on a match from the 2nd round of the Schweppes Cup. 12.30-1.15 am A Tribute to John Lennon (as HTV West at 11.45 pm).

SCOTTISH
5.25 am Wattoo Wattoo. 11.20 The Crazy World of Sport 11.45 Happy Days. 12.30 pm Late Call with the Rev John Young of Castlehead Church, Paisley.

TSW
9.35 am The Jacksons 9.57 Gus Honeybun's Magic Birthdays. 11.20 Fraggle Frame. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 The Smurfs. 5.35 Candid Camera. 12.30 am Postscript. 12.35 South West Weather and Shipping Forecast.

TVS
9.25 am Mexican Boarders. 11.20 The Groovie Ghoulies. 11.45 Jabbarnews. 12.12 pm TVS Weather. 12.30 Company.

TYNE TEES
9.25 Morning Glory 9.55 Young Lookaround 11.20 The Jacksons. 11.50 Batman. 12.13 pm North East News. 5.05 North East News. 9.10 Candid Camera 12.30 am Poet's Corner.

ULSTER
11.20 am Harlem Globetrotters. 11.50 Wild, Wild World of Animals 12.43 pm Lunchtime News. 4.55 Ulster Sports Results. 5.03 Ulster News. 9.27 Ulster News. 12.25 am News At Bedtime.

YORKSHIRE
5.25 am Regional Weather Forecast followed by Cartoon Time. 9.30 The Jacksons. 11.20 Battlestar Galactica.

BBC RADIO 1

(S)=also VHF Stereo

8.00 am Peter Powell direct from the Hammersmith Palais, London 10.00 Dave Lee Travis. 1.00 pm Lenny Henry (S). 2.00 Paul Gambaccini with America's Hits (S). 4.00 Saturday Live (S). 9.30 In Concert (S). 7.30 Ian Brass. 9.30-12.00 am Dixie Peach.

BBC RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Radio Active. 1.30 Sport On 2—Cricket: News from India on England v North and Central Zones and from Adelaide, commentary on the Third Test between Australia and West Indies; Racing from Cheltenham at 1.40; Football: Wembley to Wembley Feature; Rugby Union: Scotland v Australia; Football: Commentary on the second half of one of today's Canon League matches; Sports Report including 5.30 FA Cup Third-Round Draw: 5.50 Racing results and 5.54 Pools news and football results. 6.00 Folk On 2. 7.00 Jazz Score: Chairman Benny Green with Humphrey Lyttelton, Ronnie Scott, Digby Fairweather and Jack Fallon. 7.30 Gala Concert (S). (8.10-8.30 during the interval Martin Muncaster recalls some happy holidays). 8.30 Big Band Special (S). 10.02 Sports Desk. 10.05 Ken Bruce with music for your late-night listening (S). 12.05 am Night Owls introduced by Dave Gelly (S). 1.00 Peter Dickson presents Nightride (S). 3.00-4.00 Wally Whyton (S).

BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.19 Stereo Release (S). 11.05 BBC Philharmonic Orchestra in Dublin, part 1 (S). (12.00 Interval Reading). 12.05 pm Part 2. 1.00 News. 1.05 Grieg and Prokofiev (S). 2.00 Verdi's Opera: "Stiffelio" Jose Carreras sings the title role and Lamberto Gardelli conducts the Austrian Radio Chorus and SO in this performance in Italian, Act 1 (S). 2.55 Julian Budden on "Stiffelio"). 3.00 Acts 2 and 3. 4.00 Liszt and Schumann, piano recital (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 Critics' Forum. 9.35 Franz Schmidt, orchestral music, including Symphony No 4, direct from the BBC's Maida Vale studios in London (S). 7.45 Roadworthy (feature about the writing of Wole Soyinka). 9.30 English Chamber Orchestra part 1: Barber, Mozart (S). (9.10 Interval Reading). 9.15 Part 2: Bonasini, Mozart. 10.10 BBC Northern Singers: 30th Anniversary Year (S). 11.00 Haydn, Divertimenti, songs and a Nonurno on records (S). 11.57-12.00 News.

BBC RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Checkpoint. 9.30 Profile. Sally Hardcastle talks to milliner Steven Jones about his life and career. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm The News Quiz. 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News; The Afternoon Play (S). 3.00 News; The Burkiss Way (S). 3.30 The Ice and Mon. 4.15 The Chip Shop (S). 4.45 Keep Your Tails Up. 5.00 Wildlife. 5.25 Week Ending (S) 5.50 Shipping Forecast. 5.55 Weather; Travel 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 You the Jury 11.00 Evening Service (S). 11.15 Great Liners 11.30 Son of Cliche (S). 12.00-12.15 am News.

CHESS SOLUTIONS

Solution to Position No. 545

The direct win, which Mestel spotted after the time control, is 57 . . . B-Q5 ch; 58 K-B1, Q-R6 ch; 59 K-N1, K-N2 ch; 60 B-N3, RxB ch; 61 PxR, JxP ch; 62 K-B1, B-K6 ch; 63 Q-Q2, Q-B6 ch; 64 K-N1, BxQ and White will soon be mated or lose a rook. Black couldn't play this line because 57 . . . B-Q5 ch would repeat the position a third time, allowing White to claim a draw. There's a happy ending—Black's attack still proved decisive after 57 . . . P-K5.

Solution to Problem No 545

1 B-R1, K-N8; 2 R-K8! K-B7; 3 R-R ch, K-Q6 (if K-Q8; 4 R-KN5 and 5 Q-N1); 4 R-KN2! K-K5; 5 R1Q2 mate.

LEISURE

Impressionist fashions

INVESTMENT IN ART

ANTONY THORNCROFT

IN A CROWDED saleroom at Sotheby's on Tuesday night Impressionist and modern pictures sold for almost £14m, easily a record for an Impressionist auction in the UK. Sotheby's staff negotiated with ten telephones as bids from throughout the world, but mainly the U.S. competed with potential buyers in the gallery.

It was an important sale which confirmed the underlying strength of this market and London's position as a near equal to New York in the auctioning of the most expensive pictures in the world. But only a handful of the 72 lots were from the UK, and even fewer were bought by British collectors. The main London auction houses offer the expertise but the pictures come here only to be sold.

London's eminence can be traced back to the Goldschmidt sale of 1958 when Sotheby's then chairman, Mr Peter Wilson, disposed of seven Impressionist paintings in 20 minutes for £781,000, at the time setting unprecedented prices. Restrictive financial regulations in Paris, the obvious home for sales of Impressionist works of art, helped London, but once it had shown its skill in establishing record prices it did not look back. Neither did Sotheby's.

Now London's position is threatened by New York. A succession of American private-owner sales — the Ford, the Havermeyer, the Garbisch, the Wolf-Dreyfuss — have ensured that New York auctions produced the record prices and the astronomical totals. Not that Sotheby's and Christie's mind too much, since they run the sales there, and often send pictures across the Atlantic if they think they can get the best prices for vendors in New York. But London tries to convince itself that New York's lead is only temporary — all it needs is some major European collections to come on to the market.

One permanent edge that the U.S. does have is that the boom in the prices of Impressionist and modern pictures stems from the strength of the American economy. For around 30 years the rich have been investing in Impressionists, and prices in this area are far higher than in any other category of fine art. When the Japanese became wealthy in the early 1970s they began to buy; now there is Middle Eastern interest.

At the moment the demand is across the board, with even the surrealists coming back into favour. Max Ernst did well this week after a bad patch. It is only the best pictures, however, that can command the exceptional prices and there is a widening gap between the value of masterpieces and run-of-the-mill works by even celebrated artists.

Sotheby's sale in London nicely showed the spread of interest. A very attractive and accessible painting by Monet of the bridge in his garden went for £1,056,000, as against a top estimate of £700,000. At the other extreme a nude couple by the Austrian expressionist Egon Schiele, who died at the age of 28, sold for £3,190,000. It is hardly a decorative piece but it is unlikely that another nude by Schiele will come on to the market and the price was within the expectations of Sotheby's Impressionist expert, Mr Michel Strauss. He got the picture following a Sotheby's sale in New York earlier this year when a Schiele portrait made $2.2m, confirming that publicity about record prices draws out vendors.

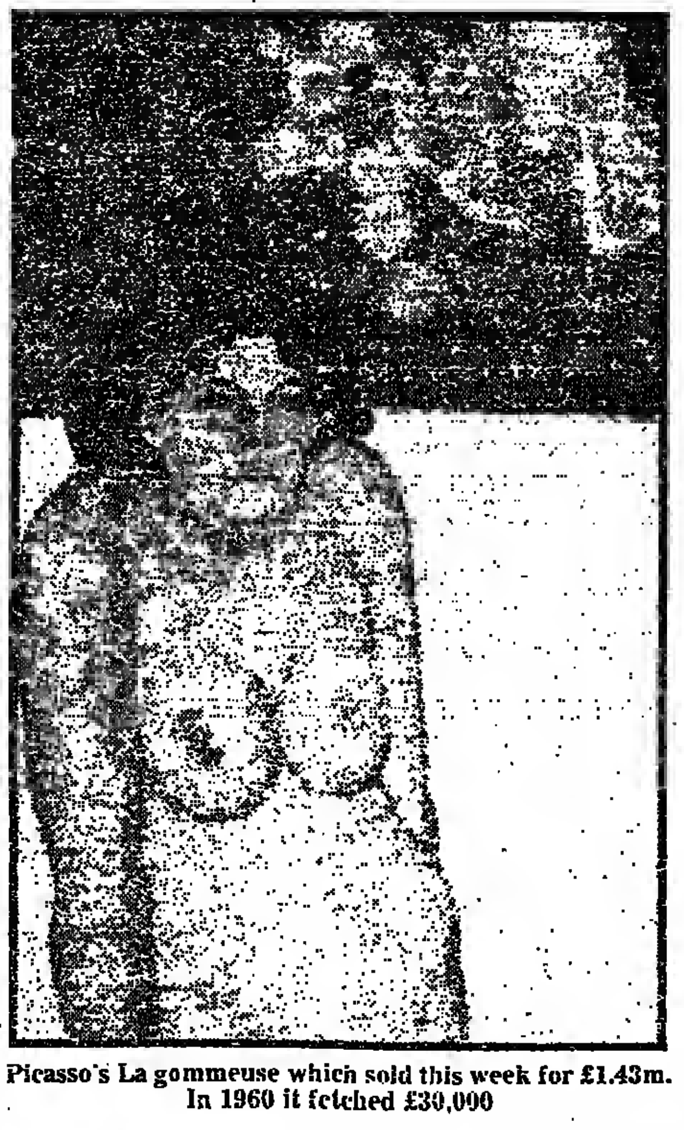
The Monet was pretty; the Schelle was rare. Perhaps the biggest surprises at Sotheby's were prices paid for pictures that require some effort to appreciate. A vigorous country scene by Derain became the object of that sight to warm an auctioneer's heart — a price battle between two determined bidders. It eventually went for £671,000, more than double the forecast. More to the point it had sold for £17,000 in 1975.

Another artist to achieve an auction record price was Rouault whose 1925 work *Les trois juges* went to the Houston Museum of Art for £253,000. In 1973 it sold for £70,000. It is still unusual for art galleries to buy Impressionists and moderns — the prices are too high for them — but this is regarded as one of Rouault's most important compositions.

A good indication of the steady appreciation in Impressionist paintings, with slight hiccups at times of economic crisis, is offered by Picasso's *La gommeuse*. Its ugliness might deter some potential buyers but it sold on Tuesday for £1.43m, spot on forecast, as against £30,000 in 1960. Even pictures returning to the market rather quickly, like *Vase d'amaryllis* by Matisse can show a healthy profit — it made £540,000 as against £330,000 three years ago. Helped by the weakness of sterling against the dollar, this week's sales brought back the buyers, and renewed confidence, in London as an entrepot for Impressionist pictures.

Sotheby's maintains its dominance of this market but Christie's was happy with its Monday night auction, which brought in £3.8m, and a price of £702,000 for a Modigliani portrait of his mistress Jeanne Hebuterne, who committed suicide two days after the artist's death. Phillips, too, is making an effort in this sector, appointing as its specialist Joachim Pissarro, great-grandson of *Camille*. In his first major sale on Monday two paintings by Camille each sold for £160,000.

Impressionist pictures are fashionable. They are the subject of many books and exhibitions; they are easy to understand; there are few worries about attribution; and they flow on to the market with remarkable frequency. A slowing down in U.S. economic growth could put a brake on the market but currently Sotheby's is planning for next April another major sale, of Florence Gould's collection (which includes a U.S.$6m-plus Van Gough) with great confidence. It will take place, of course, in New York.



Picasso's La gommeuse which sold this week for £1.43m. In 1960 it fetched £30,000

Time for the Oxbridge virus

RUGBY

JOHN KITCHING

ON THE second Tuesday of each December, the City is hit by a 24-hour flu virus, long-lost aunts are buried for the second or third time, and remarkable interest is shown in train timetables at Waterloo.

The empty chairs and vacant desks this Tuesday will be a result of the 103rd University rugby match between Oxford and Cambridge at Twickenham.

But why do up to 40,000 people still turn up to see 30 young players, the majority fresh from school, in a game which many feel has little of the class and excitement of the Varsity matches of, say, 30 years ago?

One of the attractions of watching university sides is undoubtedly the way they make use of limited resources. Small, light forwards have learned to pack low, noses almost trailing the ground, to get under taller, heavier scrummage opponents.

Changes are rung at the line-out to counteract the bigger club jumpers. Back play, while perhaps lacking the wealth of talent of years ago, still has a freshness, epitomised at present by Simms, Andrew and Bailey at Cambridge, and MacNeill and O'Brien at Oxford.

Another attraction of the match is that it is rugby played in the right spirit by extremely fit and committed teams. Those who have been disenchanted from playing and even watching the game at club level by a certain dourness and by the apparent increase in illegal, dangerous and downright brutal incidents, are encouraged by the wholehearted approach of the universities. It is perhaps an indicator of the state of the game at top club level that so many people give up playing after university, unable to achieve the same satisfaction.

But what of those who say the match should no longer have "major game" status? One Fleet Street rugby watcher I talked to recently said that he felt it was "a game between two provincial universities that happened to be played at Twickenham."

Yet the match is still important enough to attract the biggest Twickenham crowd outside the internationals, for the BBC to televise it live, and for insurance brokers C. T. Bowring to sponsor it for £20,000, divided equally between the teams. Bowring first sponsored the match in 1976, and it says the money has been used by the university clubs to improve facilities at both Grange Road, Cambridge, and Iffley Road, Oxford.

What of the old Blues, particularly those who went on to higher honours in the game? Do they feel the match is still important in anything other than a purely social sense (which it undoubtedly is)?

"The match has always had a unique place in the rugby calendar," says Roger Shackleton, former England back and Cambridge Blue. "It remains a very enjoyable day out, watching two teams with total commitment.

"Those who knock the Varsity game should try to put it into context. It remains for me the ultimate expression of team effort, and the two universities remain tremendous breeding and teaching grounds for quality players.

"While the changes in admission policies have affected the game, I still believe there are several top-class players on view this year, some of whom will probably go on to international honours. But what we must remember is that for all the players, this is a pinnacle in their careers."

Peter Dixon, former Oxford, England and British Isles, forward says: "It's a one-off, something like a cup game, in a sense. In my experience, it is the needle match."

Dixon says the Universities Athletic Union final, which is also played at Twickenham, and which excludes Oxbridge, still attracts a maximum crowd of only 15,000, "and that's for two exceptional sides — sometimes the figure is more like 5,000."

Both Shackleton and Dixon agree that the Varsity match will remain an important event for years to come.

A vintage year for wine books

WINE

EDMUND PENNING-ROWSELL

THIS MAY not be a very special vintage year for most wines, but it is certainly a bumper one for wine books, though the circle of works that add much to information already available is narrowing.

One of such books is Rosemary George's *The Wines of Chablis* (208pp. Sotheby Publications, £14.95), to which no single work has previously been devoted. Chablis has been a much abused wine, with a sad historical record. From a vineyard area before the oidium and the phylloxera of 40,000 ha, producing Chablis from more than 80 villages in the department of the Yonne, it was reduced to less than 500 ha after the last World War.

Recovery was hindered by severe frost risks, and even in the early 1970s the vineyard area was only 1,500 ha. But new frost-protection measures, an increasing world demand (80 per cent is exported) led to a great extension of the vines well beyond the little valley of the River Sereine; and now there are 2,500 ha, which some consider excessive to maintain quality.

The author describes how the wine is made in the strictly delimited 20 villages, has a very useful chapter on the local growers and merchants, and also deals in detail with the other wine districts in the department, of which Irancy and St Bris are the best known.

No work on Alsace wines has been published for a long time, and *Alsace Wines* (216 pp Sotheby Publications £16.95) by Pamela Vandyke Price in collaboration with Christopher Fielden, an experienced wine merchant, is the most comprehensive yet written.

The book follows a similar pattern to Rosemary George's, but Alsace, with a vineyard area of 12,000 ha produces much more and much more varied wine. Afflicted by war and pestilence, it has had a complicated history, here set out in some detail. After World War One, liberated from 47 years of German rule when quantity prevailed at the expense of quality, Alsace had virtually to start from scratch, and the first exports to Britain started only in the mid-1930s when Hugel made its first sale to the Wine Society.

Every aspect of the industry is described: its grape varieties, regulations and details of all the leading growers, who are also merchants. Also recorded are the 23 different *alcohols blancs*, for which Alsace is celebrated.

In terms of regional wines, Rioja in Britain has surely been *the* success of the last dozen or so years, as the import figures show: 20,000 cases in 1970, 340,000 in 1983. And this justifies its upgrading from a chapter in Jan Read's previous book on Spanish wines to a complete work in *Wines of the Rioja* (176 pp Sotheby Publications £15.95).

Its sequence is similar to the above two books, issued by the same publisher. Red Rioja is often related to claret, and indeed it owes much to the French emigrants who crossed the Pyrences when the phylloxera in Bordeaux wiped out many of the vineyards. The author describes how the style of Rioja has altered in recent years, with less oak and less time in cask, in order to produce fresher, earlier-drinking red and white wines; though one may deduce that his own tastes are largely with the bodegas making the more traditional styles. The book is very comprehensive, succinctly written and illustrated with good photographs.

Madeira is the longest-lived of all wines, and its history is particularly interesting to us in Britain for, as in Oporto, it was dominated by the British.

In a way it is a sad history, because it is partly a record of lost markets: in the Southern American states after the Civil War, in Russia after the Revolution, and after Independence in India, in whose army messes it was the traditional post-prandial drink.

No one is better fitted to write the story of Madeira than Noel Cossart whose family firm was founded in 1745, and in *Madeira: the Island Vineyard* (216pp. Christie's Wine Publications, hardback £15.90, paperback £10.90) he records not only its history and how it is made, but also describes the famous vintages and collections. It is hoped that this very detailed work will help to encourage increased consumption, particularly of the older wines that are its glory.

Is there any reason to welcome yet another book on Italian wines? Having read Victor Hazan's *Italian Wine* (337pp. Penguin Books, £6.95), I believe there is. For he describes the wines not by region but by type and grape variety. A useful series of maps shows where the various wines are produced.

Leon D. Adams founded the San Francisco Wine Institute 50 years ago, and *The Wines of America* (608pp. Sidgwick & Jackson, £15), now in its updated third edition, but published here for the first time, is the standard work. It includes Canada and Mexico as well as all the U.S. where wines are made in no fewer than 31 states.

Over a third is taken up with California, where the most striking developments have taken place in the past 20 years.

The most prominent of California winemakers is certainly Robert Mondavi and in *Robert Mondavi of the Napa Valley* (171pp Heinemann £9.95) Cyril Ray has written entertainingly about this energetic personality, against a background of the history of California wine. He devotes a good deal of space to the differences between California and French wines, falsely set in competition with each other. He also includes an account of the Mondavi — Philippe de Rothschild "Joint venture" that has led to a wine incongruously named Opus One.

Most of the pieces in *Vintage Tales* (368pp Century £14.95) appeared in the near-annual alcoholic anthology, *The Compleat Imbiber* that Cyril Ray ingeniously edited from 1956 to 1971 — and three of which, to declare an interest, I published. By persuading distinguished people, for the most part in no way professionally concerned with wine, to write for the series or in digging out their already-written stories or on alcoholic themes, Ray presented a gallery of many of the leading authors of the time, including such names as Duff Cooper, Somerset Maugham, Harold Nicolson and Evelyn Waugh. Now he has reassembled more than 60 of these, plus a few of his own elegantly written contributions.

To the slim pocket series of wine books that have appeared in recent years is added Steven Spurrier's *French Fine Wines* (180pp Willow Books £5.95), which in eight chapters lists the important wines of each region.

This is a very useful guide for those who plan to acquire superior quality French wines without knowing what wines to buy from which estates.

Finally, Webster's *Wine Price Guide* (412 pp Webster's/Mitchell Beazley £9.95) is something of a tour-de-force. Along with articles written by the editor, Oz Clarke, in a lively, conversational style, basically it lists wines region by region and compares their prices as offered by nearly 100 British merchants, 11 of whom were invited to supply ideal cellars at £100, £500 and £1,000 apiece.

Uncorking the chequebooks

CHRISTIES' finest and rarest wine sales on Thursday contain such a wealth of highly priced first growths and other esteemed class growths that it may be wondered if their corks are ever drawn: at least, of the post-war vintage rarities now often offered in very small lots. For example, this time *single bottles* of the highly regarded 45s went for very high figures: Mouton Rothschild made £350 and Latour £250. Two bottles of Lafite, possibly not in top condition, went for £380 and three of Ch Margaux brought £680. Then two bottles of the greatly sought-after Petrus '61 reached £980. Put in per dozen terms, the results would be astronomical.

Other single-bottle rarities that made record prices included the celebrated Cheval-Blanc '21 at £680, compared with £250 in 1982, and the now scarcely less renowned '47 at £270 as against £250 last year. An imperial (eight bottles) of Lafite '61 went for £2,700.

On the conventional per-dozen case level, records or very high prices were given for: Mouton Rothschild '49 (£2,700), Lafite '53 (£1,850), Ch Margaux '53 (£1,700), Lafite '59 (£1,800 for bottles and £1,850 for six magnums), Mouton Rothschild '59 (£1,700 per six magnums), Latour '59 (£1,750) Ch Margaux '59 (£1,000), Palmer '61 (£2,400), La Mission-Haut-Brion '61 (£2,000), Petrus '75 (£1,500). In terms of longevity a case of Ducru-Beaucaillou '29 (£8,409) and a jeroboam (six bottles) of Cheval-Blanc '34 (£760) seemed almost given away: not to mention a magnum of Lafite (£1,879) that fetched just £1,050.

Be guided by a god among the runners

BOOK COLLECTING

WILLIAM ST. CLAIR

SEARCHING through the bookshops is part of the fun. But how do you find the shops?

For years there has been no alternative to Sheppard's Guide, or to give it it's full name, *A Directory of Dealers in Secondhand and Antiquarian Books in the British Isles, Sheppard Press, £12.* This handy volume, now in its 11th edition, purports to list all the places where you can buy books, geographically, alphabetically, and by speciality. A copy kept in the car can add greatly to the pleasure of a visit to an unfamiliar part of the country.

But not always. Sheppards is prepared by the producer interest. What to the bookshop owner is "a large and varied stock of antiquarian English literature" may to the customer be a couple of shelves of dreary pre-war pulp fiction. Trade directories are reluctant to exclude an entry just because they have not had a reply to their updating inquiry.

After you have been booted at round the one-way system of a strange city, you may find that the bookshop you are looking for was demolished five years ago or that it now deals in the hire of video nasties. If you have persuaded your reluctant family that a quick detour to Norwich will not add appreciably to the length of the car journey to Edinburgh, they will share in your distress and may take steps to prevent you enjoying such disappointments in the future.

Diana Stephenson's *Bookshops of London, Roger Lascelles, £3.50,* is a consumer guide to the metropolitan area which offers comments on bookshops selling new books as well as antiquarian and second-hand. The author is evidently a very pleasant lady for everywhere she goes she finds lovely buildings, helpful welcoming faces and shops brimming with desirable volumes. I am afraid, however, that if you do not share her sunny disposition you may find yourself disheartened

Driffs Guide to All the Secondhand and Antiquarian Bookshops in Britain (published by Driffield, 14 Charing Cross Road, London WC2, at £4.50) is at last the perfect corrective that we have all been waiting for. Driff knows exactly what the bookbuyer wants and he tells it like it is. The entire volume is prepared in the subversive style of an underground publication, as if to be circulated clandestinely among the initiated.

The print is so small that I cannot read it without a magnifying glass which I have to carry for the purpose, risking being taken for Sherlock Holmes. The text is replete with puzzling abbreviations like an old-fashioned computer printout—"Lg stk lnt gen & antq abv av cal, b, a cnd. Spec in plt bks, bndngs. Res stk io bsmt."

But if you can be bothered to learn the system it includes the essential information about the type of books you can expect to find, the level of prices, the opening hours, and whether the proprietors are easy to get on with or frosty. Some of the remarks are probably libellous, which does not necessarily mean untrue, and there is a waggish introduction "In Search of the Perfect Book," full of frank speaking.

Driff promises to update his information frequently and the book already includes useful loose pages of addenda and corrigenda as well as manuscript remarks written across the page. Early versions produced before the booksellers set their lawyers on him are already collectors' items.

Driff's own life is a continuous round of visits from one bookshop to another, buying and selling; the guide is the result of his years on the road. He is what is known in the trade as a runner, and he can speak with authority.

It is the runners who provide the arbitrage which is essential to the rapid functioning of the market. By their knowledge of the supply that is on offer in one place and the demand that is available elsewhere, they ensure that books are sieved from general stock through specialist dealers to the ultimate customers.

A book which is virtually unsaleable to a local customer in, say, Gloucestershire, may find many potential purchasers—and readers—in London, and be an expensive rarity in New York or Tel Aviv. It is amazing how quickly a book can move from dealer to dealer, from jumble sale to the international auction room.

Collectors often enjoy a bit of running on the side. But since booksellers normally expect to charge at least double the price they pay, it is not easy to find examples of profitable mismatch. The professional runners operate on high volume and low margins.

Since they have no premises to maintain and seldom hold stock, they need no fixed or working capital. In most cases a quick telephone call will ensure that they have sold a book before they even buy it. As in the City, the value-added comes from knowledge, from personal contacts, and from speed of operation.

One runner who deals in architectural books is reputed to be very rich. Another is an avid purchaser of books on death for his own collection. A third is always on the look-out for books on teaspoons, in the search for which, I would guess, he has few rivals.

They are not always welcomed and, as Driff says, when he arrives on his bicycle on a rainy day and drips water all over the bookshop, it is easy to see why. But when the bookshop owners read about themselves in successive editions of *Driff's Guide*, I am sure they will be more considerate in future. The Ancient Greeks were always careful to be welcoming to strangers, however badly dressed. You never knew, one of them might turn out to be a god in disguise and take it out on you later if he didn't like your manner.

Driff—in search of the perfect book

Flotsam on history's beaches

COLLECTING

JANET MARSH

REGULAR READERS of this column will know my special delight in the London auction rooms as beaches on which the flotsam of history washes up. A peculiarly fascinating aspect is the coincidental way in which related groups of objects often appear together at the same moment, for no accountable reason. Just now, for instance, Sothebys and Christies have independently turned up, for sale next week, a variety of manuscripts which appear almost like jigsaw pieces, forming part of a vivid documentary glimpse of the world at the end of the first quarter of the sixteenth century.

These bits of evidence which have drifted together, for a brief spell, date from a specially momentous patch of history, the years immediately around 1520 when the Renaissance had been effected and the Reformation was in militant progress. Macchiavelli, Rabelais, Copernicus, Paracelsus, Raphael, Michaelangelo, Correggio, Titian, Holbein and Cellini were all at the peak of their activity. Cortez was in *Mexico and* Nunez in Darien; the Magellan Straits were discovered in 1520. This was the year of the Field of the Cloth of Gold. England had recently concluded peace with the French but was about to be invaded by the Scots. Wolsey was still Chancellor; and More had just published *Utopia*.

The new art of printing was flourishing; and perhaps it was a sign of resistance and reaction that the art of the illuminated manuscript reached its last great peak, represented by a number of outstanding works to be auctioned by Sothebys on Tuesday. The most splendid of these, which is likely to realise between £250,000 and £500,000, is the Areoberg misal, a large and sumptuous Flemish manuscript with 20 large miniatures by the painter known as the Master of Charles V. The manuscript was made around 1520 for a Cistercian abbot, Marcus Cruyt, and could well have been commissioned as a gift for him by Charles V, who appointed Cruyt an ambassador on account of his legendary eloquence. The manuscript is named after the Dukes of Arenberg who owned it for a century or more until 1950.

Two other manuscripts of roughly similar date were respectively illuminated in France and Italy. The French one is a tiny and exquisite Book of Hours decorated by the anonymous "Master of Claude de France" (Claude was the Queen of Francois I). With its richly decorated borders including naturalistic paintings of wild flowers and insects, this little book is likely to realise £100,000 to £150,000.

The Italian manuscript is a renaissance service book of exceptional splendour and special historical associations. It can be dated exactly to the year 1520, and was made for the Spanish Cardinal Bernardino de Carvajal, a famous diplomat, art patron and notorious intriguer, who at the time he commissioned the service book was much involved in the two major international ecclesiastical problems of the day—the irritations of Martin Luther, and the election of Charles V as Holy Roman Emperor.

The supposition is indeed that this very missal was intended for use at a special Epiphany service in Rome in the presence of the old Pope and the new Emperor. However, the tiresome Luther upset things. The Pope was too *embroiled in the tricky business* of excommunicating him: while the Emperor set off for Worms to open the Diet which brought Luther to trial for heresy. The Cardinal's missal was probably never used.

Christies' Thursday sale includes an important letter in Luther's own hand, dating from a decade or so after these events. By this time he was intervening in politics at the highest level. Writing to the Elector and Duke of Saxony, he persuasively urges him to strive to avert the imminent war between the newly formed Schmalkaldic League and Charles V, warning that it could spell the destruction of the German Empire and the end of religion.

Another manuscript in the same sale carries the engaging catalogue note: "This remarkable Luther autograph is unfortunately not genuine." It turns out to be the product of a celebrated forger of the 1890s, Hermann Kyrielis. His many and talented counterfeits are now collected for their own sake. This one is estimated at £400 to £600; while the real thing is likely to realise about £20,000 to £30,000.

A comprehensive pictorial image of the earth as these personalities viewed it is provided by a manuscript chart of the whole known world, drawn up in Venice in 1519. Naturally Venice stands at the centre of this circular map. All around the perimeter are zephyr heads energetically puffing and blowing little sailing ships back to the known coasts, which are still rather wiggly and speculative in their outline.

Knowledge of the world was growing fast. As well as Europe, Asia, Africa and the Poles, the chart clearly shows the coasts of the Americes. North America is called "India Nova" and South America "Brasily." Cuba and Florida are already named. Here again is an instance of the persistent interconnection of the saleroom flotsam. That same intriguing Cardinal de Carvajal, though he might not have got to use his missal, at least had the privilege of being one of the first to announce Columbus's discovery of America, in the course of a funeral oration for Pope Alexander VI in 1493. Like the other manuscripts, the map is for deeper pockets: manuscript world charts of this date are very rare, and the price is likely to be upwards of £10,000.

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Looking to the details

As the Chancellor's autumn statement on public spending was finally laid to rest in West-blanket of fudgesfi hasty compromises, and ertical comments from the Commons Treasury Committee, events at the other end of town weer casting an eerie sidelight on the nation's methods of managing its fiscal affairs and husbanding the taxpayers' resources.

To a financially sophisticated, but politically innocent, Martian—or, perhaps, to a newly-enriched Chinese millionaire peasant—all the commotion over university grants, foreign aid allocations, and even future tax cuts which we have seen in Parliament during the past few weeks, would have seemed beside the point, in comparison with the most significant fiscal event of the season: the British Telecom share sale.

As 180m American Depositary Receipts for BT have poured back overthe Atlantic—95 per cent of them after a sojourn of less than 24 hours in Wall Street—the politically illiterate Chinese cucumber farmer would surely have been left wondering. How could Parliament get so much more exercised over £40m of development assistance for Africa and Asia, than about the £70m of foreign aid provided in a single day for Wall Street, to say nothing of the £90m-odd distributed around the other financial centres of the world, through the BT offer?

The point of this admittedly invidious comparison is not to indict the Treasury or its City advisers for having misjudged the price of the BT offer. Still less is it to endorse the hysterical charge of "criminal incompetence" which the Labour spokesman, Mr Alan Williams, wearily read out from his Official Phrasebook of Anti-Capitalist Invective on Monday during the lacklustre parliamentary debate about BT.

Lesson

Only with the wisdom of hindsight can it be said that the price for BT shares was inadequate. And given the constraint which the Government set itself—to privatise 51 per cent of BT in a single part-paid offer, rather than selling it through a series of smaller issues spread over the next three years—it is not clear that any method could have been devised to insure against the distribution of £700m in instant capital gains to investment institutions in Britain and elsewhere.

More important than the exact price at which the BT flotation took place has been the flaw in the nation's current attitude to economic policy-making which the week's events have undeclined—everybody in Parliament infinitely prefers to debate matters of political ideology, rather than financial and economic detail.

In the months ahead, as the Goverment prepares its plans for tax reductions and reforms which will set the essential fiscal thrust for much of the rest of the current parliament, both sides of the political fence could do worse than to oonder this less than obvious lesson of the BT issue. For there is much more good that could be achieved within the framework of the Government's general policy thrust than the Opposition is prepared to acknowledge there are many more opportunities which could be wasted through inattention to detail than the Government appears to realise.

Alternatives

On the side of the Labour Opposition, it was axiomatic from the start that the BT sale would be a "criminal" act of one kind or another, whatever price it fetched in the market, and however nimbly it was handled. As a result, the Government was never pressed to examine as carefully as it might have done the alternative routes to attaining its objective of privatising British Telecom—for example by distributing the shares as a matter of right to all UK citizens, or by changing the Treasury rules which prevented BT from being taken out of the public sector until the Government had disposed of 51 per cent of the equity.

In the same way, it seems only too probable that the Government will never be forced to justify clearly the structure of its proposed tax cuts, amid the hurly hurly of probably fruitless debate about how large those tax cuts should be and

On the Government side, the dangers of a wholly proccupation with political gestures in preference to carefully-crafted economic plans is equally serious. It is easy to pronounce the BT sale a triumph for the shareholding democracy, but more important to consider reforms in th system of institutional taxation which would encourage genuine long-term share ownership.

Similarly, as the Commons Treasury committee said this week, it is tempting for the Cabinet to concentrate on the broad magnitudes of its medium-term financial stratgey, leaving the detailed decisions on public spending and the tax structure relatively low on the agenda. A wide ranging and radical study of the tax system such as that produced last week by the U.S. Treasury is hard to imagine in Britain. Yet detailed thinking about microeconomic reform *is* needed more urgently than ever at a time when the macro-economic course is set for the life of the Parliament. What Britain needs is more debate about "how" than about "how much."

MAXWELL AND PERGAMON

'Ownership is a separate issue'

By Duncan Campbell-Smith

Robert Maxwell: "Look at the record for over 30 years"

AEULESTRASSE is the main street of Vaduz, capital of the tiny, Alpine principality of Liechtenstein. Near one end of the street is a squat, anonymous looking building. This is No 5 Aeulestrasse and—surprising as it may seem—it houses the working office of the owner of the Daily Mirror.

Fleet Street's newest proprietor turns up most days at his first floor office. Neither its small size nor spartan furnishings are quite what might be expected of a newspaper magnate. But then, this one is scarcely an archetypal figure in any respect.

To start with, strictly speaking, he is not a proprietor at all. Dr Walter Keicher is a Liechtenstein lawyer and the resident director of Pergamon Holding Foundation (PHF), which is the ultimate holding company of the Daily Mirror. As a "foundation" in Liechtenstein, PHF has neither "members, participants nor shareholders," as the local legal textbook puts it.

But if ownership is identified as control, then Dr Keicher is as close to being the owner as either UK or Liechtenstein law can allow—and far nearer, it emerged this week, than Mr Robert Maxwell. "I publish the Mirror," as Mr Maxwell told the Financial Times on Thursday. "Ownership is a separate issue."

Separate or not, the ownership issue was brought rudely to public attention four days ago as part of a long-running company takeover battle which has already caught the City's eye on any number of counts.

Next week sees the final closing date of the £44m (contested) bid for John Waddington, the printing and packaging company probably best known as the name behind the British version of "Monopoly" and other popular board games.

It is the second of two bids launched for Waddington since June of last year by British Printing & Comunication Corporation, the biggest UK printing group which Mr Maxwell, as chief executive, has led with dynamic success since 1981. (BPCC is 61 per cent owned by Pergamon Press Ltd, also headed by Mr Maxwell and the parent company of his newspaper). But BPCC's current offer is 500p cash for each Waddington share. They have climbed from 104p in May of last year to close last night at 520p, swallowing a 1-for-5 rights issue on the way.

Nor is Waddington's market performance the only element of drama in the whole affair. The company survived the first bid last year by the narrowest of margins, with BPCC at one point claiming 47.3 per cent of its shares.

Above all, perhaps, each scene has unfolded against the backdrop of Mr Maxwell's ubiquitous presence in British public life: his resuscitation of BPCC from virtual bankruptcy and the devotion of his seemingly indefatigable energiest o the Daily Mirror, Oxford United football club and half a dozen other causes all at the samet ime. "BPCC is a morning business," as he himself puts it rather disarmingly, "and the newspaper is an evening business."

And it is this background to his pursuit of Waddington which has led directly to this week's concern with the true ownership of the business empire he has built aroun dhim.

The link was provided on Tuesday. Advised by merchant bankers Kleinwort Benson, the board of Waddington put out a formal rejection of the BPCC bid which suggested a "very real fear that, because of BPCC's high gearing, Waddingtons might well be starved of the capital it needs for its expansion plans." Second, the rejection document insisted, "it is of fundamental importance that we should know who ultimately controls BPCC."

While Mr Maxwell is not unnaturally indignant—contemptuously describing the whole approach as "utterly disgraceful"—the City has been surprised at the tactics, given that BPCC's bid is wholly in cash terms. Institutional investors, for example, the Britannic Assurance and the Norwich Union—which together control 16.2 per cent of the equity—can be expected to show more interest in Waddington's own position, which they still appear keen to support on the basis of the company's strong performance since 1982.

So why exactly have Waddington and Kleinwort Benson chosen such an aggresive style of defence?

Mr Victor Watson, chairman of Waddington, appears a man of meekest disposition beside Mr Maxwell's volcanic presence and eagerly disclaims any personal vendetta. "He's accused us of personalising the issues. But we have said nothing about him personally and have stuck always to BPCC and Pergamon."

Still, it is hard to ignore the personal detail of the protracted conflict. After all, Mr Watson himself claims that the BPCC chairman telephoned him 14 times during the first bid of June-September, 1983, offering at one point to make him deputy-chairman of BPCC.

Second time round, things have been rather different. Mr Maxwell telephoned on the first day of the present bid—October 25—to suggest an informal discussion in the evening: both men, as it happened, were attending the Printers' Charitable Corporation dinner at the Grosvenor House hotel. Mr atson demurred. So the two of them sat incommunicado on the long top table, with Princess Alexandra and Mr Rupert Murdoch helping to fill up the dozen or so places between them.

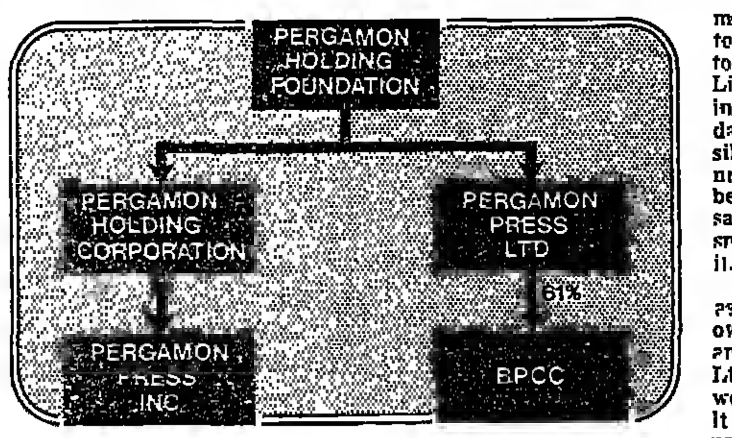
Since then, there has been no personal contact between them. But Mr Maxwell made it abundantly clear last month that the Waddington chairman would be collecting his cards within hours of a successful takeover. It would be an abrupt ending to the Watson family's management of the Leeds company, unbroken since 1913.

The motives for the Waddington defence, however, appear to go much deeper than this. In a *nutshell*, the Waddington board is adamant that it has moral as wel las legal obligations towards its employees which it says makes both the financial position and the ownership of the bidding company "very relevant indeed." "If there is any chance that Waddington is going to become a part of BPCC," says Mr Watson, "then these questions need to be investigated."

The first question, though, looks unlikely to cause the bidder more than a passing embarrassment, if that. The defence's allegations that BPCC and its parent have overstretched themselves may serve to draw attention to some extensive borrowing earlier this year. But the two companies have enormous asset resources, coupled to a prodigious cash flow.

The banks, in short, look more than happy to help fund Mr Maxwell's rapid expansion. Even while he has certainly made good use of their services, it might be rash to assume any deterioration in his companies' debt equity ratios over the whole course of 1984.

Waddington's second question is broader in its implications: who controls Pergamon Press Ltd via its Liechtenstein parent, PHF? It has certainly vexed Waddington and its advisers a good deal in recent months.



Pergamon Press last July received 255,800 pre-emptive rights in an issue of new shares by Waddington. Mr Maxwell made a show of their sale on August 8, together with another 110,900 received by BPCC. But 165,000 rights were bought by Pergamon Press Inc of the U.S. the very next day. They appear to have been "put through the market"—that is, effectively bought in private—from Mr Maxwell's own broker, Grieveson Grant, by the U.S. stockbroker Paine, Webber in London. Paine, Webber kept them in its European Arbitrage Trading Account only a matter of hours before selling them to the Pergamon company in the U.S. (The other 210,000 rights were acquired by a subsidiary of Lonrho.)

Pergamon Press Inc is owned by Pergamon Holding Corporation. Until 1982, this corporation's equity was held entirely by a French lawyer called M Geouffre de la Pradelle. He sold it in 1982 and it is now held by PHF in Lichtenstein.

"I can't say anything — I am a lawyer, you see," said M de la Pradelle from his Paris office on Thursday in a telephone conversation which he concluded in summary fashion. As for Mr Maxwell, his managerial responsibilities, he says, stop short of the U.S. company. "Pergamon Press Inc's purchase of shares does not concern me." Indeed, the present BPCC bid for Waddington shares extends to the 165,000 held by the U.S. company.

Waddington's main concern, though, is with the ownership of Pergamon Press Ltd's 100 per cent parent in Lichtenstein, PHF. Section 74 of the 1981 Companies Act allows a public company to ask its shareholders about the beneficial ownership of their stakes. Waddington's company secretary served such a notice on Dr Keicher in Vaduz on November 15. His office acknowledged the letter by telex on November 22 but said he was away on holiday until November 30.

Waddington chased up its enquiry last Tuesday and Dr Keicher replied on Wednesday by telexing the text of a letter apparently already despatched. "I note your suggestion that I consult my legal or other professional advisar," said Dr Keicher. "Upon examining the papers that you sent to me, it becomes quite clear that it is only sensible to do so. As soon as I have had this advice, I shall respond to your letter."

Waddington and its advisers might be ill-advised to expect too much from this. Dr Keicher told the Financial Times in Lichtenstein on Tuesday morning that details about his foundation were really not accessible by any legal or diplomatic proceedings. "I regret not being able to tell you more," said PHF's director with a cold smile, "but that's the point of it."

Of course there is a popular assumption that Mr Maxwell owns, or at least controls, PHF and therefore Pergamon Press Ltd and the Daily Mirror as well. The fact is, however, that it looks a hard assumption to prove.

Quite the opposite, indeed. By virtue of Sections 27 and 28 (4A) of the 1967 Companies Act, Mr Maxwell would be required to notify BPCC that he was beneficially interested in the 61 per cent held in it by Pergamon Press Ltd, if the latter or its directors were accustomed to act in accordance with this information in its annual accounts, under Section 25 of the 1976 Companies Act.

No such item apears. Mr Maxwell is noted in the 1983 accounts simply as a direct holder of less than 1 per cent of BPCC's stock. It is true that the accounts of Pergamon Press Ltd itself appear slightly more ambiguous on the point. They note that no director has any direct interest in Pergamon Press: but they also say, "For this purpose the directors [of Pergamon Press] are exempt from notifying the company [same] of interests in shares of a body incorporated outside Great Britain."

It seems to have been a part of the thinking of Waddington an dits advisers that this tantalising notice of exemption hints at a possible interest in PHF for Mr Maxwell. Sweeping this aside as "an Aunt Sally put up by Kleinworts"—or, in his angrier moments, "a witch-hunt"—the Mirror's publisher is categorical in denying that he owns or controls the foundation.

But he refuses to say who does control PHF. "That is not a matter for me to disclose," he said on Thursday. "It is a perfectly proper and legal matter. But I am not in the business of disclosing other people's business."

Hunched behind his enormous brown leather-topped desk at the Daily Mirror, Mr Maxwell stressed the care he had always taken to describe himself as the paper's publisher and no more. Wheher the ownership of the Daily Mirror might be a subject of legitimate inquiry, he says, "is a matter for you to judge." Telephone callers to him at the Mirror, meanwhile, will no doubt continue to hear his secretary announce "The Publisher's Office."

Callers at the Vaduz office of PHF will have still less to feed their conjectures; but these seem certain to grow as Mr Maxwell's power in the UK expands. Perhaps, when BPCC's strugle to win control of Waddington's shares is long finished and forgotten, this aspect of the current battle will turn out to be a lasting reminder of Kleinwort's unusual defence.

And even Mr Maxwell appears ready at times to hint at intriguing answers to the ownership question, should it ever be met. "Look at the record for over 30 years," he says. "Every public statement I have ever made has made it clear that neither I nor my wife nor my family wil linherit one penny of all the wealth that I have managed to create."

But on whose behalf?

Letters to the Editor

Nibbling at the problem

From the Chairman, Employment and Economic Development Sub-committee, West Yorkshire Metropolitan County Council

Sir,—Your editorial (November 29) "Nibbling at the regional problem" was an important recognition of the need for the Government to do more for the regions. But I wonder if you are yourself only "nibbling" at the solutions required.

Following Norman Tebbit's White Paper last December which set the scene for the announcement, it was clear to us in West Yorkshire that more than "nibbling" was required. An active policy to remove regional inequalities and disparities was seen to be essential. This could best be achieved by a requirement that decisions on all national government policy and investment proposals should be taken only after an assessment of their effects (both adverse and beneficial) had been made. Only in this way could regional policy be seen to be implemented. This point has been totally ignored. It should be borne in mind that in the five years 1979-84, employment in Yorkshire and Humberside has dropped by 12.1 per cent, while in East Anglia and the South East only by 2.7 per cent. Is it any wonder that thera is some concern at Government regional policies

My major worry, however, is that there has been so little concern shown by the Government about what will happen to regional economic development if the Abolition Bill, published noly a few days ago, is passed In your editorial you talk about decentralisation of Government departmants. Is there really any need to do this when the democratically accountable metropolitan county councils have shown themselves to be one of the most effective agencies for job creation in recent years?

In West Yorkshire, wa have worked in partnership with both sides of industry; and we have created 8,000 jobs in our small and medium-sized firms in the last few years. There are another 12,000 jobs in the pipeline. And we have achieved this at a significantly lower cost of only £2,000 per job

In spite of this success, and comparable achievements by the other metropolitan counties, the Bill contains not even a single clause on economic development or an explanation of what it means for regional development. It seems that at the same time as the Trade and Industry Department is cutting back by £300m its own measures to create much needed jobs in the conurbations, the Environment Department is doing its best to stop the counties' local programmes and to put nothing in their place.

Is this what regional policy is really about?

(Councillor) Mrs Maisie Eade,
County Hall, Wakefield.

The Africa Fund

From Mr D. Ward

Sir,—It is hard to understand the British Government's reticence towards the World Bank's proposed Africa Fund as reported by Anatole Kaletsky on December 4.

In January this year the Government offered to give $200m to a special fund to supplement the resources of the International Development Association, the soft loan agency of the World Bank. IDA has suffered a severe shortfall as a result of a cut-back in the U.S. contribution. Other countries also pledged support to the supplementary fund but the failure of West Germany and Japan to agree to this initiative means that Britain's generous offer will not now be taken up.

Surely it must be possible for the Government to transfer most of this $200m to support the new special assistance facility proposed by the bank. As a result of the disappointing replenishment of IDA, Africa faces a 21 per cent reduction in IDA credits over the next three years. It is hardly surprising given Africa's crisis of debt, famine and poverty that the World Bank is *seeking* new funds to *compensate* for the decline in concessional resources.

The Government's fears that the Africa Fund could establish a precedent leading to the dissolution of IDA into a series of regional funds are unwarranted and disingenuous given the scale of Africa's plight. The bank has clearly stated that the Africa Fund would be a temporary facility to be wound up after three years. To support the proposed fund would be the clearest indication that the Government is looking beyond emergency relief to the policy reforms required to prevent famines in the future.

David Ward.
World Development Movement,
Bedford Chambers,
Covent Garden, WC2.

The real wage debate

From Mr C. Brown

Sir,—Samuel Brittan's article "An alternative to the dole" (December 3), while containing excellent ideas for relieving unemployment, does not go far enough to explain the link between his suggested solution and one of the prime causes of the problem in the first place. Why do real weges continue to rise in the face of rising unemployment?

In a competitive labour market (or at least one in which the power of the trade unions to set wage levels is matched by the power of employers to change them) excess supply of labour would effect a reduction in real wages. It would also, unless matched by a reduction in the real cost of capital, cause a change in the most economic capital: labour output ratio in favour of the use of labour in the production process. While there are certain limits to these real wage effects, in that labour is not a homogenous commodity, jobs requiring lesser skills would be the most affacted—the very jobs in which many of the unemployed were once engaged.

Instead, because of the power of the unions to set wages, and ultimately their use of the strike as a means of exacting higher wages from reluctant employers the employed working population obtain real increases in living standards, while the unemployed minority — who have no powers to set their income levels, and who clearly cannot strike for more—receive a smaller and smaller slice of the national cake. The argument that increases in real wages will, per se, increase employment through an increase in aggregate demand depends crucially upon not only the division of the increase in demand between output and prices, but also upon the proportions spent on home-produced goods and foreign goods. Given the inflexibility of the UK labour market and our high propensity to import such a move would clearly be an ineffective means of reducing unemployment.

If one accepts these arguments, the course which the Government should take is clear: every effort should be made to encourage the unemployed to establish their own enterprises. This cannot be a half-hearted attempt — it must involve training courses for those who wish to set up a business, secondments of financial and commercial managers, and a Government truly interested in increasing competition in British industry through a radical attack upon the inflexible wage system which is the real enemy of the unemployed. The present thrust of government policy towards the creation of a more flexible labour market—democratisation of the trade unions — is insufficient: all it means is that the unions, in pursuing wage increases, can now claim to have a mandata from their members to ignore the plight of the unemployed.

Christopher M. Brown.
36 Heslington Road, York.

Acidified waters

From Dr C. Holman and Mr C. Rose

Sir, — The Government's reply (December 4) to the House of Commons Environment Committee report on acid rain completely fails to mention that British lakes, rivers and streams are becoming acidified, for example 120 Welsh rivers and over 50 Scottish Lochs, while invoking scientific uncertainties about what reductions in British emissions might do to help German lakes or forests, to justify inaction.

Clearly, Mr Waldegrave has been firmly sat on by the environmental luddite-fringe in the Treasury and the Central Electricity Generating Board. It is surprising that Mrs Thatcher thinks this is politically sensible, when the chief victims of acid rain in Britain are the wildlife of freshwaters—such as dippers (small birds), trout and salmon. With a game fishing industry worth £129m a year, and at least half a million (perhaps 3m) bird-watchers in Britain, this hardly looks like an election winning strategy: or has the Government abandoned the "green vote" as quickly as it picked up the idea?

The cost of meeting the EEC draft directive by reducing our sulphur dioxide emissions by 60 per cent (from 1980 levels) by 1995 would be 5 per cent on electricity bills: that is ½ of 1 per cent a year, for ten years (£1 on the average bill of £200). This would not be noticeable, once exchequer targets and other costs had made themselves felt.

Recent evidance does indeed show that acid deposition falls in line with reducing amissions. Does Mrs Thatcher really want a return to the dark ages of environmental policy, where intransigence guaranteed confrontation?

(Dr) Claire Holman,
Chris Rose.
Friends of the Earth,
377, City Road, EC1.

Education and the middle class

From the Chief Librarian at Teesside Polytechnic

Sir,—Can one suggest to Mr Smulders (Dec 5) that perhaps the "new generation of middle class parents" and their student children could learn from "higher education" to adopt the standards of older generations of students and parents and not regard "a large mortgage" and to "run a car" as part of "normal living expenses."

And I am intrigued to know how the reproduction processes work in the new classes when Mr Smulders forecast they will "have fewer children in the future" by voting "with their feet."

R. Moss
Teesside Polytechnic
Middlesbrough, Cleveland

Are spaniels irresponsible?

From Mr Eric R. Hart

Sir,—Is Robin Lane Fox trying to be serious, provocative, or just mischievious in his column of December 8? Whatever his intentions, I would like to know what authority he has for inferring that spaniels are more irresponsible than other dogs, or that the irresponsibility rubs off on their owners.

My own spaniel reacted in appropriate fashion to the picture of the tree when I showed him today's column.

Eric R. Hart
108 Lache Lane
Chester

Investment Trusts

It's now the survival of the fittest

By Alexander Nicoll

INVESTMENT TRUST managers—for so long able to coast along in calm and undemanding waters—are encountering ever rougher seas.

Over the last five years they have run into a storm of takeovers and other changes instigated by institutional shareholders frustrated by what they see as a poor return on their investment.

This week, new evidence emerged of the growing pressure on managers when Edinburgh Investment Trust announced the pooling of its management resources with two Dundee-based trusts to form a group controlling £920m of assets. Although EIT in particular has been one of the more successful trusts in recent years the new combination hopes it will benefit from widened international expertise as well as being large enough to attract and keep bright managers.

The keenly competitive atmosphere—the shake-up this year alone has affected trusts with assets of hundreds of millions of pounds—is a far cry from the staid beginnings of investment trusts set up in the last century to provide wealthy individuals with a relatively risk-free method of investing in Britain's colonies and tha American railroads.

Trust managers, aiming vaguely at unspectacular growth in both portfolio value and dividends, did little until relatively recently to stop a steady drain of private investors which gathered pace in the 1960s and 1970s. Individuals were lured away from them by competing vehicles such as unit trusts which offered more reliable returns from specialised investment and which made more effort to attract custom.

Institutions thus came to dominate shareholders' rolls, but were faced with a major problem. Trust share prices, partly as a result of the outflow of private funds, had dropped well below the value of their underlying portfolios. This discount to asset value now averages 25 per cent, but rose to over 40 per cent in the 1970s.

The revolution against steep discounts and dull performance was started a few years ago by a handful of insurance companies and pension funds. It has gathered momentum as other institutions have come to see that innovation could successfully and profitably challenge tradition.

"Management groups had forgotten whose business it was that they were managing," says Ian Henderson, investment manager of London and Manchester assurance group. "They didn't regard themselves as accountable to their shareholders." Mr Henderson, who inherited a large portfolio of investment trust holdings when he took up his post four years ago, was one of the first and the boldest in *attempting* to improve the return.

The revolt has ruffled many feathers in the City's old boy network. The boards of directors of investment trusts have typically been cross-sections of the English and Scottish financial establishmeot. Directors are often involved themselves in institutional fund management, and don't want to lose the fees that their own companies earn from managing investment trusts. Hence, there is a reluctance to rock the hoat.

"There used to be an aura about investment trusts," recals Hugh Twiss, manager of a Save and Prosper unit trust which invests in investment trusts. "You didn't dare attack them because you were breaking a code of cooduct in the City. With many time-honoured traditions disappearing amid the current radical changes in the City's structure, "it's now the survival of the fittest, irrespective of what you are or where you are."

Go-ahead management groups, meanwhile, are offering specialised knowledge about particular countries or types of industry—such as the Japanese stock market, or oil exploration—and investmeot policies which are clearly identified and tailored to meet shareholders' needs. Smaller groups, typically offering unfocused investment policies, have their backs against the wall.

There are some 220 investment trusts, ranging in size from the £470m Globe—which has a very wide range of investments—down to the *£2m* Marine Adventure Sailing. (Names of investment trusts often bear little relation to their investment policies.) Their combined net assets are worth about £14bn, but because of the discount their market capitalisation is considerably lower.

They offer a range of attractions—the spread of the underlying portfolio across a range of *securities* reduces the *risk*, and the investor benefits because trusts are exempt from capital gains tax oo transactions within their portfolios. They can borrow—increasing the amount of funds invested—and they can invest in unquoted, emerging companies which, they hope, will later win quotations and show large capital appreciation.

The obstinacy of the discount has, to the architects of change, appeared as a matter of simple supply and demand: there are just too many trusts and managers. But their advocacy of a shrinking of the sector has led critics to charge that their intention is purely destructive—to plunder it for their own benefit.

London and Manchester's Henderson shows oo compassion for poor performers, but insists: "Investment trusts as an investment management vehicle can hardly be bettered." This year, he has backed that assertion with ooe of the most daring pieces of corporate activity—the industry euphemism for takeovers — yet attempted.

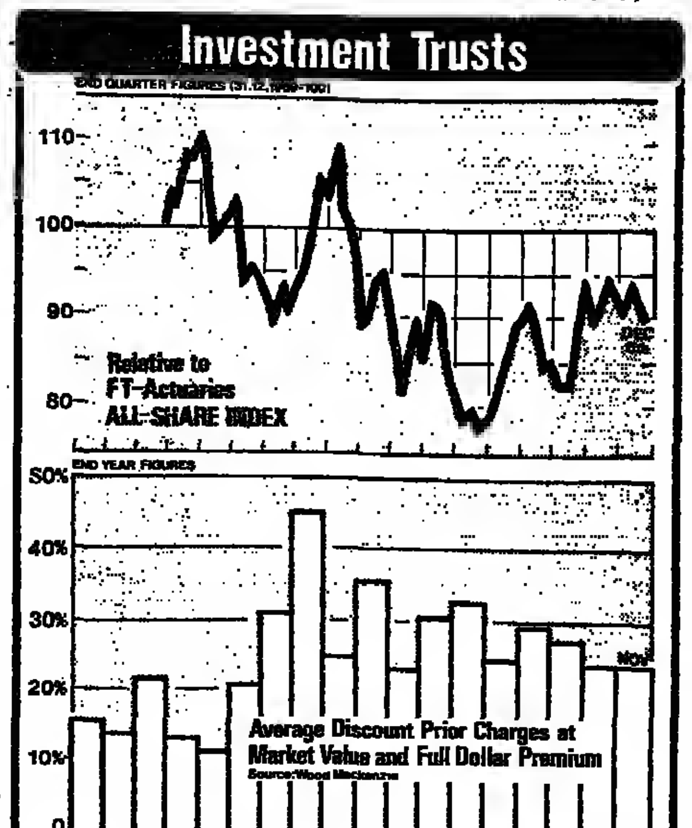
Instead of aiding and abetting a takeover, L and M itself took over the Nineteeo Twenty-Eight Investment Trust and Transformed is into a trust investing only in other investment trusts.

In another of this year's more innovative transactions, Japan Assets, invested by Edinburgh-based managers Ivory & Sime in Japanese equities, is more than doubling its £20m size by taking over the much larger *Anglo - Scottish Investment* Trust.

Other trusts have disappeared completely this year, and here even good managements sometimes find it difficult to defend their position, since a trust can be targeted for takeover and liquidation simply on grounds of size. This process, termed a "disguised rights issue," attracts some of the stock market's more colourful characters, who for some reasoo want to raise capital without going directly to their own shareholders.

The weeding out of low-performing trusts will undoubtedly continue. But there are also new trusts, such as Save & Prosper Return of Assets, which invests only in S & P unit trusts.

Stockbrokers—such as Laing and Cruickshank, Wood Mackenzie and de Zoete & Bevan—hope that the tide of wider share ownership started by British Telecom will wash into investment trusts. Insurance companies aod foreign investors, (so far reluctant) are also seen as potential sources of demand for investment trust shares.



Graham Lever

UK package tour industry

Why nerves are jangling

By Arthur Sandles

THE BRITISH package tour industry is huge. With a turnover in excess of £2bn it consists of nearly 700 companies. More than half the Britons who travel abroad for any purpose use its esrvices. It is a market which, in spite of economic woes and a wobbly currency, bas grown remorselessly. Next year it could have 9m customers —and yet it is going through a period of extraordinary self-doubt.

Further evidence of this came on Thursday when Horizon Holidays, the third largest of the UK's tour giants, cut the prices of 200,000 of its 450,000 holiday offerings for the summer of 1985. On the same day the Civil Aviation Authority, which polices the industry, unveiled plans for a much higher enry fee to play the package tour game and said it would further tighten its procedures for keeping an eye on its licence holders.

The CAA has been stung by criticism which has followed the collapse of 20 tour companies of various sizes in recent months. The increased fee comes in the shape of a higher bond which tour operators bave to lodge, or have guaranteed by a third party.

All this is taking place against a background in which oo-ooe is sure bow the publi cwill react to next year's higher prices (even the Horizon move drops its Spanish price rise only from 23 to 19 per cent overall. The industry still suffers from over-capacity: the majors are eager to increase their market share and are doing so with such aggression that some compaoies are clearly crcking uoder the pressure. Bookings are coming in later and later, causing cash flow difficulties: aod the cootiouing miners' dispute makes normal market prediction extremely difficult.

For all its candy-floss image, this is not a Mickey Mouse business. Budget Holidays failed in October and is oow shown to have potential shortfall of very nearly £12m in its indebtedness to creditors. Although the company probably only ranked between 40 and 50 in the tour league table it still managed to end up owing one charter airline alone, the Thomson subsidiary Britaonia, more than £1.8m.

A decade ago the small investor interested in the business would bave been hard put to find a home for his money. Since then companies such as Horizon, Intasun, and Saga have come to the market, and groups such as Thomson, the Midland Bank, Natioowide Leisure, Raok and Grand Metropolitao bave all exteoded their interests. It could be said that tour operating has come of age.

And yet the industry could hardly be described as mature. "I worry about it," ooe conglomerate chief executive told me this week. "In every other aspect of my business I can forecast within a few teos of thousands what the results are going to he. As far as our travel activities are concerned I have no idea, and the people running the businesses doo't seem to know either."

It is a dilemma that has proved too much for some. Granada pulled out of tour operating this autumn and GrandMet is now concentrating on the city weekend market which it leads with its subsidiary, Travelscene.

Eyes are now focussing on Rank, which has several major tour brands, such as Wings, OSL and Planefair, and which has just installed its corporate fireman, Mr Angus Crichton-Miller, as chief executive. Mr Crichton-Miller has loudly voiced Rank's dedication to travel and tourism (it owns Butlin's too) but bis arrival proved a prelude to an exodus of senior staff.

But the present bout of self-analysis was given its biggest shove a few weeks ago by Mr Harry Goodman, chairman of Intasun Leisure. He forecast that in a couple of years there would be only 300 or so tour companies in the UK and that three of them, iocluding his own group, would control 75 per cent of the business.

(Iotasun is now Britain's second largest tour compaoy and carries around 750,000 people oo holiday each year. Thomson with well over 1m, is No. 1 and Horizon, with perhaps 600,000 including summer and winter trips, is No. 3.)

Mr Goodmao suggests not that 300 of the present 700 tour companies are about to go bust, but that an increasing oumber of groups may simply pull out. "Tour operator profits in the future will come from tour operating. In the past people have got their profits from currency fluctuations, from cash flow, from just about anything but the tour itself. Now we are going to see who the real tour operators are," he says.

When that commeot was repeated to a rival it produced a predictable snort of amusement. "Good grief, the poacher has turned gamekeeper." The remark was prompted by the fact that Mr Goodman's early growth was produced by seizing opportunities where they were presented. Mr Goodman now just grins. "Life has changed. No-one is going to build another Intasun again."

Thomson, which now firmly rules the roost after last year's price war, has tended to remain aloof from all the recent public wranglings. Its directors — who ooze confidence — are still letting it be knowno that it would not hesitate to cut prices quickly and heavily if another challenge is made to its supremacy. With almost as much business as Intasun and Horizon combined, it cao afford to flex its muscles occasionally. Horizon appears to have taken note, cutting just enough to come back into line hut not enough to worry Thomson.

The one factor which causes the most uncertainty is the present alarming state of bookings io the industry. In the gold days of yesterday a tour operator knew by Christmas roughly what sort of a season was ahead. Sufficient hookings had been received to make an intelligent assessment. Now hookings are coming in later and later, producing problems for the planners and playing havoc with cash flow.

Soundings from the retail trade suggest that bookings for the summer of 1985 are currently running between 30 and 40 per cent below those of this time in 1983. No-one imagines that they will stay so low: the general view is that the market will remain very much at its 1984 level.

With bookings coming in so late no-one really knows how British consumers are going to react to the 20 per cent price increase they face for tours to Spain next year. Although destinations such as Greece may benefit considerably from this price rise they do not have the space to take over completely. Otherwise, in the words of one British agent, "perhaps it will not he the tour operators who relaunch their programmes, perhaps it will he the Spanish hotellers who relaunch their prices."

And so the package tour industry prepares for its traditional post-Christmas orgy of television advertisments, newspaper supplements and heavy point-of-sale promotions in travel agencles. Everyone still believes that the long-term prospects fort he travel industry are rosy. With nearly 9m Britons likely to huy a package tour of some sort next year, at an average price of nearly £250, most of the majors at least see it as being well worth the fight.

Weekend Brief

Bronze Age shipwreck

IN THE 14th century BC a ship carrying a rich cargo of metal and glass ingots, vases packed in containers, ivory and gold jewellery, sank at Uluburun off southern Turkey. It now lies at 150 feet and is being dug by the Institute of Nautical Archaeology based at Texas A and M University.

Professor George Bass, who is in charge, is a veteran of shipwreck digs and has devised many of the technical methods, emphasising always that they are just the extension of those used on dry land. People must be trained first to be archaeologists, and then to be divers, if they are to do the right thiog on the sea bed. They must clean, record and lift with great care—as on land—but they must also avoid the bends.

Uluhurun joins other wrecks he has dug off Turkey. Ooe of them—around 1025 AD—had contained between 0.5m and 1m pieces of scrap glass, which are patiently being put back together at the Museum of Underwater Archaeology at Bodrum in a monster jigsaw puzzle.

A wreck is not a lone event frozen in time. If it can he dated —as the glass wreck is by its Byzantine coins and Islamic glass weights, and Uluborun by its Aegean and Cypriot pottery —then it helps to peg the histories of many different artefacts, including the boats themselves. The glass wreck, for example, is the oldest known exampla of a hull huilt by modern frame-first construction, the planks being nailed onto the frames or ribs. The Uluhurun ship was huilt by the earlier, more laborious shell-first method, with the frames installed after the planks and all held together by mortise and tenoo joints.

Sponge divers found it in 1982, Professor Bass reported this week io Washington, and saw copper ingots. The first season of digging-by-diviog took place this summer.

It was a valuable cargo: 150 copper "oxhide" ingots stacked io rows, each weighing about 20 kg aod cast in shapes like ox skins, probably for easy carryiog oo the shoulder.

Tin oxhide ingots, 99.5 per cent pure, are unique. Where did tbe tin come from? We do not know. Perhaps a lost source in the Near East. Tin is the prime ingredient for alloying with copper to make the Bronze Age's bronze, though arsenic was quite often used before it for the same purpose (there was an arsenic compound on the ship).

Also unique are two dozen iogots of cobalt-blue glass, destined for meltiog down and making into beads or vessels. An elephant tusk and a hippopotamus tusk were also found on board. Elephaot tusks and copper oxhide ingots have heen found together once before, in the Minoao palace at Zakro (1450 BC), the point oo Crete nearest their sources. The elephants may have been Syrian. In North Syria elephants were hunted until at least the 9th ceotury BC. For the hippopotamus one thinks naturally of the Nile, but their bones have been found at 12th century BC Tel Qasile near Tel Aviv. Hippopotamus ivory is denser and whiter than elephant, and has recently been identified at 3rd millennium BC Knossos and 1200 BC Myceoae. At Uluburun it seems oo its way to the Aegean.

The gold jewellery may he Syro - Palestinian. Some amphorae certainly are, of a type known already on dry land at Athens and Mycenae. Large storage jars packed with Cypriot pottery for export are the original china harrels. The boat also had eight huge stooe anchors — the first time they have heen found actually on a boat rather than loose oo the bottom or dedicated in temples.

The questions Uluburun raises are enormous. Where had the boat come from? On preseot evidence, Cyprus. Where was it going? Not so certain. One may assume the Aegean, but it is difficult to find much Cypriot pottery there. What was its natioоality? Aegean, Cypriot, Egyptian or Syro - Palestinian are possible, aod Egyptian least likely. Was it a travelling merchant taking his luck, or state - organised trade? Were there craftsmen oo board to work the ingots?

Only the upper part of the ship has been tackled so far. When it has all been cleared, and the contents divided into personal possessions or cargo, some of these questions may he resolved. Uluburun is importaot and untouched and worth all the effort of working 150 ft down.

Alternate currents

AS BRITAIN'S electricity grid prepares to hecome the "golden grid" next year — its 50th anniversary — some people still blame most of human ills on all those cables dangling above us.

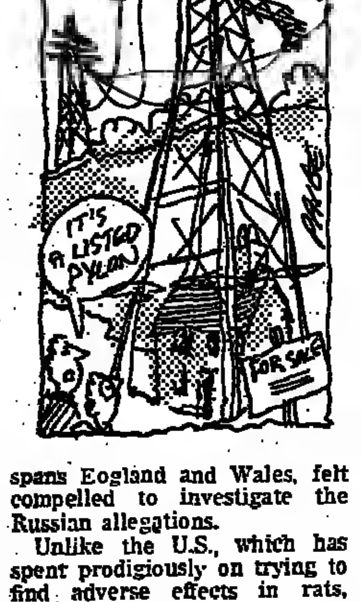
In one Dorset village, for instance, people still talk of "pylon weather" and expect the worst as the mist creeps over Hardy's heaths.

There are now over 5,000 kilometres of overhead lines operating at 400,000 volts in England and Wales, and a further, 1,700 km running at 275 kilovolts public fears of alternating current transmission once rivalled those of nuclear energy today.

They were rekindled in the early-1970s by Russian reports that electricity workers on the new 500-kilovolt sub-stations in the Ukraine were complaining of such symptoms as tiredness, headaches, nausea and loss of sexual potency—"like most of us feel on a Friday afternoon," says Dr John Bonnell, medical adviser to the electricity supply industry.

The Russian news encouraged a lot of other people to attribute their symptoms to the proximity of overhead cables.

Proving a negative effect—that your activities are not the cause of someone else's troubles —is never easy and may be virtually impossible. Nevertheless various electricity authorities in the U.S. and Europe, including the Central Electricity Generating Board whose grid spans Eogland and Wales, felt compelled to investigate the Russian allegations.



Unlike the U.S., which has spent prodigiously on trying to find adverse effects in rats, mice and pigs, the CEGB bas not hesitated to test people. Toby Norris himself has been a volunteer, in circumstances which caused his electrified hair to stick up in fashionable spikes.

The Russians responded to the complaints of their workers by rewriting the rule book and limiting their exposure to electric field strengths of less than 5 kilovolts per metre. But western electricity authorities all failed to substantiate the claims of the workers.

The CEGB studied 390 industry workers employed to maintain its power lines.

They measured the electric fields to which the linesmen were exposed using a miniature dosimeter worn by each worker. They examined the effects of working alone, of working long hours, of changing shifts. They concluded that exposure to the highest fields to he found anywhere under the grid in Britain is causing these workers no ill-health.

But that does not mean that someone, somewhere may not he harmed by such fields. The scientists therefore leave loopholes for those who have already convinced themselves that power lines are doing them harm, and will oot accept the evidence of healthier-than-average workers who spend their days close to the cables.

Certainly there is no shortage of reported effects to investigate, even if one does not take too seriously the story last month of a woman who behaved hysterically each time she approached an electricity pylon —or even traffic lights.

The prohlem is finding any correlation between these physical responses and allegations of ill-health, such as the claims of people in Britain that proximity *to power lines* is the cause of suicides and even of cancer.

Paintings in the pipeline

WHICH of the following must be the more important to a banker—successfully arranging a DM 10bn credit for a Soviet-Western gas pipeline deal, or attending the opening of ao exhibition of Russian art? When the banker concerned is F. Wilhelm Christians, co-spokesman (chairman) of Deutsche Bank, the answer is oot as simple as it seems.

For Christians, the credit deal for the Yamal pipeline from Siberia to Western Europe—the so-called "project of the ceotury"—was clearly a milestone in his career with the Deutsche, West Germany's biggest (and most profitable) bank. But there is good reason to think that the exhibtion of Russian art, from the 15th ceotury to the preseot day, which opened last night in Duseldorf, gave him more personal satisfaction.

The exhibition is supported by the Soviet culture ministry as well as by the three West German companies most involved in the pipeline deal, Deutsche Bank, Mannesmann and Ruhrgas. But it is safe to say that without Christiaos' personal enthusiasm over years the exhibitioo would never have come about.

For one thing Christians, aged 62, is an art collector and expert, long particularly interested in the Russian school of the first quarter of this century. This deep interest in art is one he shares with Vladimir Semyonov, the Soviet ambassador to Bonn, and it has helped the two of them over some of the more testing moments of political and business discussion.

Small wonder that Christians has used his many business trips to the Soviet Union over the years to visit galleries and make contacts with Russian artists. And when in 1980 a Soviet official toasted the proposed pipeline deal as one which would "serve the understanding of peoples" into the next ceotury, Christians seized his chance.

Business alone, he stressed, could not perform that task. A "cultural pipeline" was needed too, the means for an exchange which touched the hearts and minds of ordinary people.

So the concept for a swap of art exhibitioos was horn. But it was three years before the idea bore first fruit, with the display in 1983 in Moscow and Leningrad of the work of modern German artists. That in turn was followed in August this year with signature of a formal agreement between Deutsche Bank and the Soviet cultural authorities, setting out the conditoins for bte Düsseldorf sowing and looking towarda another exhibition of German work—this time in the Siberian capital of Novosibirsk next summer.

Christians admits that sometimes he felt his plan would oever come off. Not the least of the problems was to reach accord on a selection of pictures which the Russians were ready to seod to the West hut which did oot simply reflect the toughest official artistic line. The result—naturally—is a compromise, but a highly interesting and viewable one.

Contributors:
Gerald Cadogan
David Fishlock
Jonathan Carr

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	6.75	7.75	8.00	Seven-day account
			8.50	Higher interest acc. 90 days' notice or charge
			5.50-8.00	Cheque-Save
Aid to Thrift	9.60	—	—	Easy withdrawal, no penalty
Alliance	6.75	7.75	8.00	7 days' notice. Imm. wdl. if balance £2,500+ int. pd. ½-yrly., mthly. inc. opin. if bal. £1,000+
			8.50	Bank Save. Bal. of £2,500. Current account
Anglia	6.75	7.75	8.50	3-year bond. No notice, 3 months' penalty
			8.50	Capital share. No notice. 1 month's penalty
			8.00	7 days' notice. No interest penalty
Barnsley	7.75	9.50	9.65	Special inv. 9.85 2 years, 9.65 monthly income
Birmingham and Bridgwater	6.65	7.70	8.05	5 days' not. or 20 days' int. pen. for imm. wdl.
			8.75	90 ds. shrs., 90 ds. nt. or 90 ds. pen. for im. wdl.
Bradford and Bingley	6.75	7.75	8.25	Premium Access. On demand, no penalty
			8.50	Extra Interest—1 mth.'s notice or 28-day pen.
			8.25	Extra Income—1 mth.'s notice or 28-day pen.
Britannia	6.75	7.75	8.30	7 days' notice. 8.55 28 days' notice
Cardiff	9.30	9.40	9.80	90 days' notice penalty if balance under £10,000
Catholic	8.00	9.00	10.00	Jubilee bond. Min. £1,000. Monthly income
Century (Edinburgh)	8.85	—	9.30	permanent 2/3 years or variable.
Chelsea	6.75	7.75	8.90	3 years, immediate withdrawal interest penalty
Cheltenham and Gloucester	—	7.75	—	Gold. No notice. No pen. Under £1,000, 6.75; Over, 8.25; £5,000+, 8.57 when mthly. int. added
Citizens Regency	7.00	8.00	8.40	7 days. 8.50 one month. 8.75 three months
City of London (The)	7.00	7.75	8.75	3 months' notice—no penalty—monthly income
			8.45	21 days' not. im. access for amnts. over £10,000
Coventry	6.75	8.00	8.60	Money Maker £20,000+, 8.35 £5,000+, 8.00 £1,000+. Instant acc., no pen. Mnthly. inc. opt. 9.00 2-yr. bond £1,000+, close 90 days' notice pen., monthly inc. option. Guaranteed 2.25 diff.
Derbyshire	7.75	9.00	10.00	2 y., 3 m. not. with pen. 9.25 no nt./pn. m. inc.
Gateway	6.75	7.75	8.10	Gold Star £1,000+. No notice. No penalties. Monthly int. £5,000+ 8.41 if added to account
Greenwich	6.75	—	8.75	90-day a/c (7-day a/c 8.00-8.50 subject to bal.)
Guardian	8.00	—	10.25	6 months, 10.00 3 months, £1,000 minimum
Halifax	6.75	7.75	8.00	7-day Xtra, 7 days' notice, no penalty
			8.25	28-day Xtra, 28 days' notice, no penalty
			8.50	90-day Xtra, 90 days' notice, no penalty
Heart of England	7.75	9.00	9.80	90-day notice, 9.30 5-day notice
Hemel Hempstead	7.75	9.25	10.00	2 years, 9.65 28 days, 9.85 3 years
Hendon	8.90	—	9.50	7-d. a/c min. £500. 10.00 3 mths. a/c min. £1,000
Lambeth	6.90	8.00	8.30	7-d. a/c. 9.00 Magnum a/c 6 wks. & loss of int.
Leamington Spa	6.85	—	8.60	Spa mthly. Income; no not., no pen. £5,000 min.
			8.50	Lion sh.: 1 m. not. or 28 days' pen. £1,000 min.
			9.15	Supershare; no not., 14 days' pen. £2,000 min.
Leeds and Holbeck	6.75	8.50	8.55	Monthly interest, 8.80 28 days' notice or penalty. Neither if £10,000 still in account.
Leeds Permanent	6.75	7.75	8.00	Liquid Gold no not. no pen. HRAS 8.5 3m. not.
Leicester	6.75	7.75	8.00	£500+ im. ac. no pen. 8.95 comp. 3 y. £2,000+
London Permanent	8.25	—	10.25	3-yr. tm. Im. wdl. 90 dys. pen. £10,000+ no pen.
Midshires	6.75	8.25	8.75	2-year term 2.00 diff. guar. 3 mths.' not. or pen.
Mornington	*9.30	7.80	9.50	£2K+, 9.80 £10K+, 10.00 £20K+. *£2,000—
National Counties	†7.05	8.05	9.00	90 days' notice, no penalty. †£1,000+
National and Provincial	6.75	7.75	8.75	HYS (share + 2% guaranteed 3 years)
			8.50	90 days' notice/pen. unless bal. stays £10,000+
			8.25	28 days' not., 8.00 7 days' not./penalty as above
Nationwide	6.75	7.75	8.50	Capital bonds, 3 yrs., 90 days' notice/penalty
			8.50	Bonus-90, 90 days' notice/penalty
			8.25	Super bonus, 28 days' notice/penalty
			8.00	Bonus-7, 7 days' notice/penalty
Newcastle	6.75	8.00	8.50	90 days' notice, 8.25 28 days' notice
			7.75	7 days' notice. On demand with penalty
			9.00	2-year term access with penalty
Northern Rock	7.75	9.00	9.35	Moneyspinner plus £500 or over
			9.60	(£5,000-£19,999): 9.85 (£20,000 and over) 7 days' notice withdrawal, no penalty
Norwich	6.75	8.00	8.50	New City Account. Im. wdl, no pen.
Peckham	8.50	—	9.75	Imm. withdwl. if over £2,000. Monthly Income
Peterborough	6.75	8.05	8.75	Flexi-Plus 60 days' notice monthly income
Portman	6.75	8.25	8.50	No notice, 8.75 2 months' notice
Portsmouth	6.90	8.40	9.05	3 years, 8.85 6 months, 8.60 1 month
Property Owners	7.25	8.75	9.00	3 mths., 8.60 28 d., 8.75 6 mths. Effective Dec 1
Scarborough	6.75	8.00	8.75	2-year limited share, 1.75 guaranteed differentl.
Skipton	7.75	9.00	9.85	Sovereign £10,000+, 9.60 £500 £9,999. Monthly inc. 9.60 min. inv. £2,500. 1st. access no pen.
Stroud	7.75	9.00	9.85	3 months, 9.60 £10,000+, no penalty, no notice
Sussex County	7.75	9.25	7.75	up to £2,499, 8.00 £2,500+, 1 mth.'s notice 9.00
Sussex Mutual	7.25	8.50	8.75	Over £5,000 imm. wdl. Under £5,000 7 days' not.
Thrift	8.40	—	9.40	3-year term. Other accounts available.
Town and Country	6.75	7.75	8.75	90 d. not. or pen. No not./pen. if bal. £10,000+
			8.25	7 d. not. or pen. No not./pen. if bal. £10,000+
Wessex	8.60	—	—	No notice—no penalties—min. inv. £1
Woolwich	6.75	—	8.00	7-day account, 7 days' notice
			8.25	Monthly Income Account, 28 days' notice
			8.50	90-day account, 90 days' notice/penalty
Yorkshire	6.75	7.75	8.50	Diamond key, 28 days' notice or 60 days' pen.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Former Imperial executives succeed in Cullen's auction

BY ALEXANDER NICOLL

THREE men who quit their jobs at Imperial Group to make an agreed bid for Cullen's Stores, and then found themselves contenders in a three-way battle, yesterday emerged victorious with an £8.8m offer.

With their twice-increased bid commanding support from 51.2 per cent of Cullen' voting equity, Mr Lew Cartier conceded defeat and released shareholders who had committed 35 per cent of the voting shares to his £8.2m offer.

The third contestant, Mr John Fletcher, bowed out earlier in the week, and effectively swung the balance in favour of the winning team yesterday by pledging his 10 per cent voting stake to their new offer, which is backed by a consortium put together by J. Henry Schroder Wagg.

The auction for the loss-making grocery and off-licence chain has been remarkable in that each of the rival bidders had a particular reason for wanting to win, and a different plan to handle the 95-store group's troubles.

The former Imperial Group team, Mr Peter Matthews, Mr David Claxton and Mr Sheridan Swallow, plan to transform Cullen's into a chain of convenience stores.

These early-opening, late-closing shops are common in U.S. cities, where they supply local residents' emergency needs without replacing the bulk shopping done in more distant supermarkets. In the UK, they have yet to prove themselves, though Sperrings of Southampton and Mr David Linnell's 7-Eleven chain are showing rapid growth.

The winning team's initial £6.6m bid had irrevocable commitments from only 21.4 per cent of the voting equity. A key 24.5 per cent stake was controlled by a cousin of chairman Mr Peter Cullen. Mr David Cullen, who resigned from the board in June after policy disagreements, had not agreed to the Matthews offer.

Two rival bids came almost simultaneously. The Cullen's board switched its allegiance to Mr Fletcher, who ran Associated Dairies' Asda stores group until his contract was abruptly terminated in May. He said little about his specific plans for Cullen's, but indicated that no radical change was intended and said that he believed both small and large stores could be made profitable. Cullen's has 10 supermarkets, but most of its stores are small.

Mr Fletcher was not alone in wanting to return to the retail trade. Mr Cartier, who sold his Cartier Superfoods supermarkets chain to Tesco in 1979 for £20m, had already made one attempt this year with an unsuccessful bid for Maynards.

Mr David Cullen pledged his shareholding to the Cartier offer and was promised an executive role in the new company. He also agreed to split his profits above their initial offer price with Mr Cartier if they should lose to a higher bidder.

"Neither bidder was looking to buy Cullen's based on its asset value," Mr Cartier said yesterday. "Both were buying on what they thought they could do with it. We decided there was no point in going any higher".

The Cartier plan had been to develop a supermarket chain and an off-licence chain, and to close about one-third of the Cullen's stores.

The winning team, in cooperation with the existing board, will set about immediately the task of revitalising Cullen's — even though they have not yet issued a formal offer document. "We hope to add a bit of zest to pre-Christmas trading," Mr David Claxton, managing director-designate, said yesterday.

Mr James Rogers, who has supervised Cullen's off-licenses, will remain on the new board, and Mr Peter Cullen will be a non-executive director.

Terms of the new offer are a mixture of cash and shares in a new company formed by the three executives, with a cash alternative of 475p per voting share and 375p per non-voting share. The shares closed respectively at 465p, down 5p and 365p, up 20p, yesterday.

The successful trio .... Mr Sheridan Swallow (left), Mr Peter Matthews, and Mr Dvid Claxton

Thermal Scientific in £5.6m expansion

Thermal Scientific, a scientific equipment maker, which joined the Unlisted Securities Market last year, yesterday announced two acquisitions totalling £5.6m which will greatly enlarge the group, increasing sales three times over.

Thermal is buying Centorr, a privately-owned U.S. manufacturer of high temperature electric furnaces based in New Hampshire, and Betol Group, a plastics machinery company in Luton.

Mr Hugh Sykes, Thermal's chairman, said: "The enlarged group will be a major force in thermal, electric furnace and related technologies with world-wide sales and distribution networks."

Thermal, which also announced interim pre-tax profits for the period to the end of September up 30 per cent to £265,000, is financing the acquisitions in part by a placing of 1.8m new ordinary shares at 200p — a discount to the market price which closed 15p up at 235p yesterday.

Thermal is paying for Centorr with the £3.63m raised from the placing and the issue of an extra 208,000 shares, making the total price £4m. Betol Group is being paid for by the issue of a further 822,500 shares, worth £1.6m. The issues will increase Thermal's total equity by just over 70 per cent.

Thermal believes that the acquisition of Centorr will give it a foothold in the American market for its own ranges of scientific and industrial furnaces which it says complement Centorr's products. Centorr's sales and pre-tax profits have been rather flat over the past five years and showed a slight decline for the year to the end of September to \$3.17m and \$734,000 respectively. Mr Gerry Lavole, Centorr's founder and sole shareholder will join the Thermal board.

Betol reported pre-tax profits slightly down to £189,000 on increased sales of £1.74m for the year to the end of June. Its 75 per cent shareholder, is Bamford Hall Holdings, a private company in which Mr Sykes is the major shareholder.

Thermal's profit was achieved on sales ahead from £2.1m to £2.52m. Tax took £106,000 (£86,000) leaving attributable profits of £159,000 (£118,000).

The company is paying a 1p net interim dividend and forecasting a final payout of 2p, against a total of 1.5p net paid last year.

Mr Sykes, who is also non-executive deputy chairman of Harris Queensway and a director of Bath and Portland, will speak for 27 per cent of the enlarged Thermal. The acquisitions now go before the group's shareholders for approval.

Shaw Carpets well down halfway as dispute takes toll

INDUSTRIAL ACTION has been estimated to have cost Shaw Carpets at least £3m in lost sales, and its profit expectations have not been realised. In the half year ended October 26 the pre-tax figure fell from £722,000 to £33,000.

The directors say the industrial action was protracted to limit output in support of an annual pay claim, which was not settled until August. Also, extensive product development and marketing activities proved costly.

They remain confident about the progress of the company, and are holding the interim dividend at 1p net. Last year Shaw made £1.49m profit against £962,000 previously and a substantial loss in 1981-82.

The second milltron computerised dyeing machine came on stream at the end of April, after which the original one was thoroughly overhauled.

Both have been in operation since early September, in antipation of which extensive product development and marketing activities have been carried out in the half year. These have been costly and the resultant benefits are only now beginning to materialise, the directors state.

To bring about improved utilisation of the company's production equipment, new working arrangements, which have already been notified to company personnel, are to be introduced.

In the half year turnover came to £19.51m (£20.33m), of which direct exports accounted for £2.33m (£1.89m). Trading profit was £759,000 (£1.24m) subject to depreciation £548,000 (£385,000) and interest charges £178,000 (£136,000). There is a tax credit £245,000 (charge £236,00) to give a net profit of £278,000 (£485,000). Earnings are shown at 1.2p (2.4p) per share.

● comment

In a year when the second Millitron machine's commissioning was going to provide much needed capacity, Shaw has had the rug pulled by a damaging industrial dispute. The company says it cost £3m in lost sales. This is difficult to quantify at the pre-tax level but given that the top slice of sales on long carpet runs is always worth substantially more than the normal margin, it could have lopped off up to £0.6m from what would have been a creditable performance. Barring no recurring extraordinary factors, the rest of the year should bring some recovery at least. With the two Millitrons now in service, although not at full stretch yet, it should be possible to increase production and sales to, say, £24m in the second half. Using a slightly improved historical trading margin and assuming an increased interest charge to finance the extra capacity, the full-year figure should come out at around £0.8m pre-tax. The tax charge will be nil, which puts the 40m shares on a prospective multiple of around 10 — a rating which has its sights on the high quality earnings that should come from the hi-tech investment down the line. The prospective yield—almost 9 per cent on a maintained payout — is another obvious attraction.

Lonrho holds over 6% stake in Fraser

By John Moore, City Correspondent

Mr Roland "Tiny" Rowland's Lonrho yesterday revealed that it holds a 6.34 per cent stake in House of Fraser following recent share purchases, after spending over £10m building up its shareholding.

On the stockmarket yesterday shares of House of Fraser rose 2p to 302p.

The fresh buying by Lonrho follows the disposal early last month of its 29.9 per cent stake in House of Fraser to the Al-Fayed family of Egypt for £138.3m. Since then Lonrho has bought a further 7m shares, sold 750,000 of that block of shares, and renewed its buying activities again. Its present holding stands at 9.75m shares.

The group is believed to have spent £10.5m on its latest purchases, paying 300p per share.

In its latest round of buying a block of 1.6m shares is understood to have come from shares sold by the Fraser Foundation, run by the family of Sir Hugh Fraser, the deposed chairman of the stores group.

Nearly 2m other shares were acquired, according to Lonrho, "through the market."

Lonrho has been carrying out its buying in conjunction with its wholly-owned subsidiary AVP Industries and London Australian and General Properties.

Hunslet

On turnover up from £11.39m to £12.55m, taxable profits of Hunslet (Holdings), engineer, amounted to £69,000 and are compared with losses last time of £742,000. Earnings per share were 10.5p (12.2p losses), after a tax credit £57,000 (£595,000), and the dividend is maintained at 8.5p net.

Share placing values Candover at £11.5m

BY STEFAN WAGSTYL

Candover Investments, a specialist in financing management buy-outs, is to be listed on the London Stock Exchange with a market capitalisation of £11.45m.

Stockbrokers Cazenove and Co is placing 25 per cent of the company's equity—1.7m shares—at a price of 160p a share, compared with a stated net asset value of 166p a share.

The shares are being sold by existing shareholders, the institutions. These are led by Electra Investment Trust and Globe Investment Trust, which backed the formation of Candover in 1980 and the company's directors and staff.

The company says its position as the UK's leading organiser of management buy-outs will be strengthened by becoming a listed company.

Listing will also win the company investment trust tax status so that it will no longer be liable for corporation tax on capital gains.

Candover, headed by chief executive Mr Roger Brooke, has investments in 41 companies in the UK and in the U.S. It typically takes a 5 per cent to 15 per cent equity stake, often organising additional capital from other investors.

The company's net assets have risen rapidly from £2.1m in September 1980 to £11.8m in September this year, the date of the latest audited accounts, covering the nine months from January 1. The stated net assets value per share is based on a valuation on November 26 which puts total net assets at £12.2m. Listed securities are taken at market value, unlisted securities are valued by the directors, who have written down valuations on seven investments which have not achieved their targets.

The overall appreciation to the portfolio since Candover's formation is put at £10m, made up of £4.6m on listed investments, and £5.4m on unlisted, including £1.2m from exchange gains on unlisted U.S. investments.

Of this £10m, some £8.9m comes from five companies—DPCE Holdings, a computer company, and Stone International, both now listed on the Stock Exchange, the Union Ice Company of the U.S., and stockbroker Vickers da Costa, which have both been sold, and Famous Names (Holdings), a confectionery maker.

Candover is forecasting a net dividend for the year to the end of December of 1.4p, giving a gross dividend yield on the issue price of 1.25 per cent.

Checkpoint Europe shares rise 38p on possible bid

BY CHARLES BATCHELOR

SHARES of Checkpoint Europe, a USM quoted distributor of electronic security tags and safes, rose 38p to 223p yesterday after an anouncement that a bid may be made for the company.

The U.S. group makes about 40 per cent of its sales through Checkpoint Europe, though relations in the past have been strained and at one point led to a legal dispute between the two companies.

Checkpoint Europe, a former Rule 163(2) company, was brought to the USM only two months ago by means of an introduction arranged by stockbrokers Northcote & Co. Profits slipped to £228,000 pre-tax in the year ended March 1984, against £701,000 previously, chiefly because of the strength of the dollar which added £200,000 to the cost of tags. Sales rose from £2.8m to £3.3m.

At the start of the week Checkpoint was trading at its 1984 low of 135p, but at yesterday's closing price the Jersey-registered company was valued by the market at £8.92m.

Checkpoint said that discussions "initially of a purely commercial nature had been extended to a point which could result in an offer being made for the company."

There was some speculation in the security industry that this could mean that Checkpoint Systems of the U.S., which supplies Checkpoint Europe with tags, was interested in buying out its European distributor.

Checkpoint Europe has a half-share in Checkpoint UK with Automated Security (Holdings) (ASH), the leading UK alarms group, but ASH has been developing a different tag technology with Security Tag Systems of the U.S.

The main shareholders in Checkpoint Europe are Mr William Nathan, chirman, and Mr Fritz Pichl, managing director, who each own 21.5 per cent through Cato Investments Corporation.

Gregory can reduce bid for Glanfield says Panel

BY CHARLES BATCHELOR

Gregory Securities' ill-stared courtship of Glanfield Lawrence, the motor distributor and engineering group, took another surprise turn yesterday with a Take-over Panel ruling that Gregory may reduce the value of its bid.

The Panel said that Glanfield's downgrading of its 1984 profits forecast meant that Gregory should no longer be obliged to offer 55p per share for Glanfield —a total of £2.91m—but could reduce its offer to "not less than 49½p" pe rshare, or £2.62m.

Gregory, a private company headed by Mr Jim Gregory, chairman of Queens Park Rangers, the first division football club, attempted to obtain an even lower bid, but was held by the Panel to 49½p, the low highest price paid by any third party in the previous 12 months.

Gregory must post its offer by December 19 and in the meantime the suspension of Glanfield's quotation—at 52p—will be maintained until it issues a further statement on its profit prospects.

Gregory launched is bid in September to protests from Glanfield that the offer had been mounted in breach of the takeover code. In early October the Panel dismissed a Glanfield claim that a 42.5 per cent stake built up by Gregory had been bought from persons, notably Mr Christopher Selmes, acting in concert.

However, in late October the Panel intervened for a second time to rule that Gregory had breached another rule, barring anyone increasing their holding to 30 per cent or more if they have bought any shares in the previous seven days, and ordered Gregory to dispose of a 29 per cent holding.

The Panel accepted that the rule had been breached inadvertently and allowed Gregory to bid again for this holding.

Glanfield revised its profits forecast downward on October 26 from more than, to less than £250,000, but the Panel said yesterday even this statement was too optimistic.

Mam ahead after second half jump

A jump in second half taxable profits at Management Agency & Music from £564,000 to £1.01m has lifted the full year's figure, ended July 31 1984 to £1.83m, compared with £1.52m.

Turnover of this company which manages artists including Tom Jones, Engelbert Humperdinck and Dean Martin, rose slightly from £29.11m to £30.56m. The dividend is unchanged at 8.75p net per 10p share with a same-again final of 5.95p

Tax charge was £864,794 (£487,581) and after minorities, and an extraordinary credit of £15.759 the attributable balance was £963,221. Last year there was an extraordinary debit of £3.19m

G. M. Firth continues East Lancs share build-up

BY ALEXANDER NICOLL

Mr Ian Wasserman's G. M. Firth, a diversified holding company, yesterday offered a hint that the fight for control of East Lancashire Paper Group may not be over. It disclosed that it had bought 20,000 more shares since the paper company agreed this week to a £5.45m bid from British Sypbon Industries.

The latest purchase, at 100p per share—the same level as BSI's cash alternative—raises Firth's stake from 13.3 per cent to 13.5 per cent. Mr Waseserman would not be drawn on his intentions yesterday, but said: "The more I lok at it, I think the bid is too cheap."

Most of Firth's purchases have been at levels well below the current offer price, so it would not lose if BSI's bid is successful. BSI has added 10,000 shares to its holding, raising its stake to 25.1 per cent in addition to a pledge of 2.3 per cent from East Lancs directors and 10.8 per cent acceptances.

BSI, a drinks dispensing group, put in four bids before winning agreement from East Lancs which has also had talks with another unnamed suitor. Mr Wasserman is not believed to have had talks with any of the other parties. East Lancs shares fell 1p yesterday to 102p.

GEC brings stake to 1·5%

General Electric Company was understood yesterday to be buying its own shares in the market for the third successive day, raising its total so far to roughly 40m shares or nearly 1.5 per cen tof its equity.

The purchases, designed to increase the company's earnings per share, have all been at 228$\frac{7}{16}$p, giving a total outlay of about £91m. They have been conducted on its behalf by stockbrokers de Zoele and Bevan.

The company itself declined to comment on yesterday's activities, but did confirm that on Thursday it bought 4.9m shares, raising the total at that stage to 35m. With authority to buy up to 250m, it was believed not to be ruling out more purchases depending on market conditions, but was thought more likely to pause for the time being.

COMPANY NEWS IN BRIEF

Halfway profits from Longton Industrial Holdings have reached £560,000 thereby matching those made in the whole of the previous year and beating the comparable first half by £399,000. After several years' absence interim dividends are resumed, the declaration being 1p net, equal to half of last year's single payment.

All divisions of the group, which is engaged in transport, storage and distribution, steel stockholding and engineering supplies, and vehicle plant distribution and crane hire, traded profitably. The overall improvement has been maintained since September 30 and the directors look with confidence to a full year of continued progress.

Turnover in the six months moved up to £24.93m (£21.79m), from which the trading profit came to £972,000 (£567,000) after depreciation. Tax takes £113,000 (£32,000) to leave the net balance at £447,000 (£129,000) for earnings of 6.3p (1.2p) per share.

* * *

British American Film Holdings has increased its pre-tax profit from £215,140 to £260,065 in the first half of 1984. At that date its net asset value had risen from 212.4p to 230.8p over 12 months, and by November 14 it had further moved up to 272.9p.

In the half year the holding company accounted for £173,000 (£163,000) of the profit and the subsidiaries for £87,000 (£53,000). Tax takes £77,000 (£74,000), there is £63,000 (£37,000) retained to subsidiaries not consolidated, leaving £121,000 (£105,000). Net profit on sale of investments £65,000 (£104,000) has been transferred to reserves. Earnings are 6.55p (5.05p) and the interim dividend is 1.5125p per share (1.375p).

* * *

First-half profits before tax of CH Industrials rose by £186,000 to £503,000 and the group, a manufacturer of automotive and decorative trim, building products and synthetic foam, is lifting its net interim dividend from 0.4p to 0.45p.

* * *

First half pre-tax profits of Rowlinson Securities edged ahead by just £2,800 to £335,100 and figures for the full period to March 31 1985 are expected to be similar to last year's £763,000.

The interim dividend is being maintained at 0.18125p net per 10p share. Earnings were up from 1.27p to 1.48p after a lower tax charge of £150,800, against £172,800.

* * *

Pre-tax profits of Stormgard, investment company, dropped from £49,332 to £33,775 for the first half of 1984, on lower turnover of £41,858, against £53,812.

Administration expenses fell from £4,148 to £1,215. Other operating income added £324 (£3,357), investment income came to £1,143 (£18,040) and interest received rose from £23,485 to £26,488.

After tax of £11,928 (£14,449) stated earnings per 10p share were 0.29p lower at 0.5p.

* * *

The upturn foreseen at the last year end at Brunning Group has come through in the results for the six months ended September 30 1984, with taxable profits up by over £100,000 or 42 per cent and turnover ahead at £29.43m against £23.14m.

The directors are to lift the interim dividend from 1.925p to 2.1p net per share. In the full year to end-March, dividends totalled 4.725p on pre-tax profits at £452,000. Earnings per share for the period under review are stated at 6.4p, up from 4p.

* * *

Taxable profits of City of Dublin Bank fell from an adjusted I£971,729 to I£712,793 for the year ended September 30 1984. The final dividend however, is maintained at 2.2375p net for an unchanged total of 3.2p per 25p share.

Group deposits at the year end amounted to £78.6m (£60.2m) and cash balances and government stock totalled £36.4m (£26.4m).

* * *

Ibstock Johnsen has acquired Coalmoor Refractories (Horsehay) for £2.5m. Coalmoor quarries clay and produces specialist clay products in Shropshire.

Consideration has been satisfied by the issue of 1.03m shares.

The assets acquired include agricultural land and cash, and Ibstock intends to dispose of the land leaving the investment, exclusive of cash, in its books at approximately £1.1m. For the 10 months to October 31 1984 Coalmoor showed profits before tax of £116,000, but these results included activities not taken over by Ibstock.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The recently -active UK bids and deals scene was quieter this week and the major development came from the other side of the Atlantic. The second-largest insurance broker Alexander and Alexander announced a £220m agreed merger with Canada's Reed Stenhouse and the deal, when approved, will create a group comparable in size to Marsh and McLennan, the premier U.S. insurance broker. The merger is being affected by a share swap equivalent to two A & A shares for every three Reed Stenhouse which will give Reed stockholders about 29 per cent of A & A.

In the UK, Marks and Spencer suppliers Nottingham Manufacturing increased its bid for Johnson Group Cleaners to £53.2m, but the revised cash terms, up from 410p to 440p per share, are being resisted. Nottingham Manufacturing has been able to pick up about 7 per cent of the Johnson equity in the market.

British Sybpon Industries finally won the support of the East Lancashire Paper directors for its three times increased bid for the group. The terms of the bid remain the same—a six-for-five share exchange or 100p per share cash—but East Lancs shareholders will now receive a planned 3.5p dividend instead of the 1.75p final dividend offered by BSI to shareholders taking its shares. The largest outside stake in East Lancs is still held by Mr Ian Wasserman's G. M. Firth, which has built up a 13.5 per cent holding since BSI first bid for East Lancs.

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Advance Services	127½§	117	123	7.19	BET
Anglo-Scot Inv	¶¶	156	156	¶¶	Japan Assets
Atlanta Inv	136	131	91	8.45	Grovebell
Bath & Portland	239§ §§	265	225	38.34	Beazer (C. H.)
BPM 'A'	157½*§	165	128	1.12	Yattendon Inv Tst
BPM 'B'	162½*§	158	128	8.76	Yattendon Inv Tst
Bridgewater Ests¶	342§§	322	280	18.47	Peel Holdings
Comfort Int	69§§	70	67	43.08	Intasun Leisure
Cullen's Strs Ord	460†	465	435	4.60	Aromaglade
Cullen's Strs 'A'	345†	365	330	3.45	Aromaglade
Cullen's Strs Ord	475*	465	365††	4.75	Whalling (IOS)
Cullen's Strs 'A'	375*	365	260††	3.75	Whalling (IOS)
Currys	547§§	549	311	254.78	Dixons
East Lancs Paper	102	102	60	5.56	British Sypbon
Elson & Robbins	80§§	78	68	7.92	Hartons Group
Glanfield Lawrce	49½*§	52††	49	3.60	Gregory Secs
Gordon & Gotch	140*	140	122	6.40	Hrld & Wkly Tms
Harrison, T. C.	74*	69	49	16.70	Harrison, T.C. Grp
Hayters	170*§	188	125††	1.95	Tomkins F. H.
Hoskins & Horton	283§ §§	280	188	7.68	Lon & Mld Inds
Hoskins & Horton	285§	280	270	5.51	Scottish Heritable
Johnsn Grp Clnrs	440*	440	362	47.66	Nottingham Mftg
Kent (M. P.)¶	80§§	77	67	34.32	Beazer (C. H.)
Link House	778	750	685	93.38	Utd Newspaper
Moray Firth Matt	345§	345	340	15.05	Scot & Newcastle
P. of Wales Hlls	118	105	115	14.62	Comfort Int
Reliance Ind	35½	36	28	2.86	Corah
Romai Tea	£10*§	£11½	530	1.95	Williamson
Waddington (J.)	500*§	520	463	33.49	BPCC
Websters Group	140§§	136	90	17.65	Octopus Publshg
Western Brd Mills	318	303	220	16.82	Smith (David S.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on December 7 1984. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Avon Rubber	Sept	3,530	(2,320)	39.2	(25.7)	5.0	(3.0)
Bass	Sept	218,400	(175,000)	41.9	(36.7)	12.9	(11.36)
BOC	Sept	137,800	(95,800)	20.4	(14.5)	7.7	(6.3)
Brown, Matthew	Sept	7,040	(6,430)	21.5	(21.8)	8.16	(7.42)
Devenish, J. A.	Sept	2,060	(1,920)	—	(—)	11.5	(10.25)
Fairline Boats	Sept	402	(246)	7.2	(4.4)	2.63	(1.75)
Granada Group	Sept	53,750	(43,460)	15.2	(12.5)	6.19	(5.27)
Hanson Trust	Sept	169,100	(91,100)	19.2	(11.3)	5.0	(3.33)
Home Breweries	Sept	5,890	(6,360)	—	(—)	10.8	(8.8)
Kynoch, G. & G.	Aug	91	(14)L	13.1	(—)	—	(—)
Leeds Group	Sept	1,420	(1,240)	—	(—)	5.0	(4.5)
Metamec Jent	Sept	494L	(1,080)L	—	(—)	—	(—)
Nottingham Brick	Sept	1,050	(753)	11.0	(7.9)	5.0	(3.5)
Peck, Polly	Sept	50,550	(29,990)	48.7	(26.4)	2.5	(1.0)
Pericom	Sept	1,200	(985)	9.3	(10.3)	2.0	(1.7)
Ranks Hovis	Sept	51,100	(44,100)	12.3	(10.9)	4.36	(3.97)
Smith, Herman	June	1,940L	(23)	—	(—)	0.2	(0.5)
Spencer Clark	Sept	245	(134)L	4.6	(—)	0.5	(—)
Trafalgar House	Sept	113,150	(79,030)	30.1	(22.6)	10.0	(8.5)
Tyne Tees TV	Sept	2,600	(2,290)	25.8	(19.5)	10.5	(—)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net pence per share, except where otherwise indicated. † For nine months. L Loss.

Offers for sale, placings and introductions

Collins, W.—Placing of £9.9m in non-interest bearing unsecured loan stock with 31.

Process Systems—Offer for sale of 16m share at 92p per share.

Technology for Business—Placing of cumulative redeemable preference shares to raise £1.16m by proposing that £750,000 of 7 per cent £1 preference shares should be issued to institutional investors and an open offer to shareholders of the remaining 500,000 shares.

Tomkins, F. H.—Placing of 2.45m shares at 122½p per share to raise £3m.

Williams, Rex Leisure—USM placing of 4.96m shares at 20p per share.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allied Colloids	Sept	10,650	(7,610)	0.7	(0.5)
Argyll Group	Sept	23,650	(18,170)	2.1	(1.75)
Atkins Bros	Sept	96	(106)	1.35	(1.35)
Bremner	July	44L	(22)L	0.5	(0.5)
Brit Tar Prod	Sept	921	(730)	1.2	(0.8)
Brown, John	Sept	4,540L	(8,970)L	—	(—)
Browntee	Sept	1,800	(1,460)	1.3	(1.15)
Cape Industries	Sept†	5,550L	(6,496)	—	(1.7)
Castings	Sept	419	(367)	1.0	(0.75)
Central & Sheer	Sept	4,790L	(415)L	—	(—)
Coalite	Sept	10,880	(10,000)	1.78	(1.67)
CPI Holdings	Sept	869	(970)	6.0	(6.0)
Delmar Group	Sept	107	(23)	—	(—)
Dixon, David	Sept	361	(107)	2.5	(2.22)
Dominion Int'l	Sept	3,120	(2,570)	2.2	(2.2)
Edbro Hldgs	Sept	1,000	(1,100)	2.0	(2.0)
Ferranti	Sept	13,500	(14,800)	0.52	(0.44)
Fine Art Dev	Sept	412	(155)	1.1	(1.1)
Finlan, John	June	69	(102)	1.8	(1.5)
FKI Electricals	Oct	1,510	(951)	0.23	(0.18)
FMC	June	540	(104)	—	(—)
Formdesign	Sept	138	(130)	1.26	(—)
Freshbake Group	Sept	500	(959)	0.6	(0.25)
Gee/Rosen Org	Sept	85	(106)	0.5	(—)
GEC	Sept	332,000	(285,000)	1.35	(1.15)
Gibbs Mew	Sept	495	(485)	1.1	(1.1)
GUS	Sept	105,110	(92,230)	6.25	(5.5)
Hall, Matthew	Sept†	10,540	(9,680)	1.35	(1.28)
Henriques, A.	June	17L	(71)	—	(0.5)
Highgate & Job	June	12L	(3)L	—	(—)
Holden Hydro	Sept	157	(192)	0.98	(—)
Hwrd & Wyndham	June	23L	(230)L	—	(—)
Kleen-e-ze Hldgs	Oct	104	(87)	1.0	(1.0)
Leigh Interests	Sept	415	(304)	1.0	(0.75)
Lynton Hldgs	Sept	702	(882)	2.4	(2.2)
Marshalls Halifax	Sept	3,470	(3,020)	2.0	(2.0)
Morgan Comm	Sept	372	(232)	1.0	(—)
Panls	Sept	4,400	(4,500)	2.5	(2.5)
Pegler-Hattersley	Sept	8,380	(7,870)	5.25	(5.0)
PWS Int'l	Sept	691	(189)	3.0	(—)
Rout Kegan & Pl	Sept	105	(49)L	—	(—)
Thwaites, Daniel	Sept	2,400	(2,380)	1.1	(1.1)
Unilock	Oct	461	(178)	0.58	(0.43)
Uld Leasing	Sept	2,050	(1,292)	1.4	(0.8)
Vinten	June	939	(1,810)	1.05	(0.91)
Wagon Ind	Sept	2,460	(1,650)	3.0	(2.0)

Rights Issues

Marshalls Halifax—£5.5m rights issue on a one for five basis, of 3,110,955 shares at 185p per share.

Nottingham Brick—£1.47m rights issue—one new share for every seven ordinary shares held at 115p per share.

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UK COMPANIES

RESULTS DUE NEXT WEEK

Pilkington Brothers, the world's largest makar of flat glass, is expected to report pre-tax profits up from £30.44m to *about £50m for the half year* to the end of September. The biggest contribution to this advance should come from the 30 per cent-owned U.S. operation Libby-Owens-Ford, whose dollar progress will be magnified when restated in sterling in Pilkington's accounts. Elsewhere, Australia is performing strongly, but the South African associate has reported only a small profit increase, and West Germany will suffer from the impact of the metal workers' strike. In the UK, bigger profits from flat glass and smaller losess from fibre glass will be the fruits of the massive efforts Pilkington has made in the past few years to cut back capacity.

Uotil about eight weeks ago, it was the problems in the UK coal industry that constituted the main concern for watchers of Charter Consolidated, wbich is due to announce first half results on Wednesday. Since then, the sorry atories of Johnson Matthey Bankers and Cope Industries, in which Chartor has substantial stakes, have emerged, and the market is now clearly very worried indeed. With these elements as a backdrop, analysts are finding it very difficult to find a consensus. Last year's first balf profits of £22m included £16.7m income from share sales. This year the feeling is that tbe company will again be looking for share sales—this time just to keep in the black. Excluding these exceptional share dealings, the range is from a £1m pre-tax loss to a profit *of around £5m.* The other best guess is that the company will reverse a long-standing trend and cut tha dividend.

Tate & Lyle's long-running problems with its Indonesian sugar contract will oversbadow this year's profits performance when results are announced on Wednesday. Tbere has already been a £10.4m provision made, although tbere is some chance that current arbitration will lead to a reduction. There will, however, be aoma loss-elimination from tbe disposal of Zymaize, cost savings coming through from the rationalisation in sugar refining activities and progress in the Canadian construction and packaging businesses. Against this, poor overseas demand will bave bit maltings, molasses sales will have been affected by the depressed animol feeds industry and the agri-business will *reflect* the low sugar price to glvo an overall profits lino of between £67m and £70m pre-tax, against £57.3m last time. Having failed to secure Brooke Bond the company is now recasting its net to find a home for its £130m casb pile.

Profit margins at both Unigate and Northern Foods have been squeezed by steep rises in meat and liquid milk prices, which neither group bas been able to pass on fully to consumers. The best performance will come from Unigate, which is expected to announce on Thursday a rise in interim pre-tax profits from £23.6m to around £26m. Thore will be some loss elimination from the disposal of the Henry Telfer meat subsidiary, while Unigate International's cbeese operations should be reacting positively to management reforms, and Wincanton and Giltspur have continued to advance in buoyant markets. A 10 per cent increase on the previous 2.75p net interim dividend looks on the cards.

A change in accounting periods has blurred the picture slightly at Northern Foods, whicb publishes its results on Wednesday. However, analysts are looking for a decline in taxable profits from £27.9m (adjusted for profit sharing contributions) to around £24m, with a maintained 4.25p net interim dividend. Keystone Foods should bove continued to do well from supplying McDonalds, with its successful diversification into chicken products. On the downside, the recently sold Patrick Cudahy pork products company has been a drain on management resources, Fox's Biscuits has suffored from escalating raw materiala costs and volumes have been flot at North Country Brewers.

Other companies due tn report next week include Greenhall Whitley, whlcb announces its full-year figures on Monday and Norcros, due to publish its interim results on the same day. Smith & Naphew and McCorquodale announce their final figures on Tueaday, wbich also sees interim figures from Meyer International and Imperial Continental Gas Association. Bulmer is due to bring ont its first-half report on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Archimedes Investment Trust	Wednesday	3.7	4.91	4.0
Associated Paper Industries	Wednesday	1.2	3.0	1.5
Baggeridge Brick	Wednesday	1.5	3.75	1.88
Baynes, Charles	Wednesday	0.31	0.5	0.5
Burns-Anderson	Wednesday	0.7	1.5	0.7
Canvermoor	Thursday	1.2	2.44	1.2
Carr's Milling Industries	Thursday	1.75	3.75	1.75
City Site Estates	Monday	0.29	0.29	0.34
Frederick Cooper	Tuesday	0.5	1.15	0.53
Davenports Brewery	Friday	3.4	5.0	3.6
Dobson Park Industries	Monday	1.9	3.31	1.9
Dubilier	Monday	0.9	1.1	1.0
Greenall Whitley	Monday	1.79	2.24	1.93
Hardy's and Hanson	Friday	—	—	—
INN Leisure	Tuesday	—	0.42	—
Irish Distillers	Wednesday	1.5	5.0	1.5
Lake and Elliot	Tuesday	—	—	—
Arthur Lee and Sons	Thursday	0.3	0.3	0.3
CPA Industries	Monday	—	1.5	—
McCorquodale	Tuesday	3.75	5.25	2.0
McLeod Russel	Tuesday	6.66667	3.5	3.5
NSS Newsagents	Wednesday	1.1	1.9	1.2
Sidlaw Group	Thursday	5.0	11.0	6.0
Smith and Nephew Assocd. Cos.	Tuesday	1.17	2.5	1.4
Stakis	Wednesday	0.55	1.45	1.0
Tate and Lyle	Wednesday	4.5	11.5	6.5
United Spring and Steel	Friday	—	—	—
Vaux Breweries	Thursday	3.025	6.05	3.4
Williams, John of Cardiff	Friday	—	—	—
INTERIM DIVIDENDS				
Associated British Engineering	Tuesday	0.358	—	
Alphameric	Tuesday	—	—	
Anderson Strathclyde	Wednesday	—	—	
Arlington Motor Holdings	Thursday	2.5	8.0	
Baker Perkins Holdings	Monday	2.4	3.5	
John Booth and Sons (Bolton)	Friday	—	2.0	
Braithwaite and Co. Engineers	Wednesday	4.0	5.1	
British Building and Engineering Appls.	Thursday	1.25	1.75	
British Steam Specialties Group	Thursday	1.12182	5.0	
Brown, N. Investments	Monday	2.5	5.0	
Bulmer, H. P.	Tuesday	2.24	2.55	
Butterfield-Harvey	Thursday	—	—	
Charter Consolidated	Wednesday	3.75	7.25	
Cluff Oil	Thursday	—	—	
Cohen, A.	Monday	3.0	5.2	
William Cook and Sons	Friday	1.0	1.5	
Crown House	Monday	2.5	3.9	
DBE Technology	Tuesday	—	—	
Deritend Stamping	Wednesday	2.2	3.2	
Dwek Group	Friday	—	—	
Fuller, Smith and Turner	Thursday	2.0	3.25	
Greene, King and Sons	Thursday	1.43	2.92	
Haslemere Estates	Thursday	2.09	6.51	
Hogg Robinson Group	Monday	3.3	3.45	
Helical Bar	Wednesday	—	—	
Imperial Continental Gas Assocn.	Tuesday	4.0	9.5	
Ingram, Harold	Thursday	—	—	
Jacksons Bourne End	Wednesday	1.0	4.0	
Latham, James	Wednesday	4.25	7.5	
London and Overseas Freighters	Monday	—	—	
London Merchant Securities	Thursday	0.5	—	
Marling Industries	Monday	0.52	0.78	
Meyer International	Tuesday	1.65	3.1	
Mitchell Somers	Thursday	1.5	1.75	
A. Monk and Co.	Thursday	2.0	4.5	
Nesco Investments	Friday	5.0	5.0	
Norcros	Monday	2.3	5.2	
Northern Foods	Wednesday	2.25	2.5	
Norton Opax	Monday	1.0	2.0	
Parkfield Group	Tuesday	—	—	
Phoenix Timber	Friday	1.5	2.5	
Pilkington Brothers	Wednesday	5.0	8.5	
Preedy, Alfred and Sons	Monday	0.75	2.75	
Property Holding and Investment Trust	Monday	1.31	1.44	
RFD Group	Thursday	0.924	2.464	
Sheraton Securities International	Monday	—	—	
Smith Brothers	Thursday	1.0	4.0	
Smith Whitworth	Tuesday	—	—	
Stoddard Holdings	Thursday	—	—	
Tex Abrasives	Friday	0.75	2.75	
Thorpac Group	Thursday	1.0	1.0	
UKO International	Wednesday	—	3.0	
Unigate	Thursday	2.75	4.75	
Warehouse Group	Monday	—	3.75	
Wassall, J. W.	Friday	—	1.0	
Whitecroft	Monday	2.0	4.5	
Wight Collins Rutherford Scott	Tuesday	—	—	
Wolverhampton and Dudley Breweries	Tuesday	2.55	—	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Adam Leisure		Nil	—	1	1	1
Alpine Drinks	int	0.6	—	6.0	—	1.8
Alva Investment	int	1.6	Jan. 11	3.5	—	8
Bristol Post	int	7.5	Feb. 1	4	—	16.5
Hunslet (Hldgs.)		8.5	Jan. 4	8.5	8.5	8.5
Longton Industrial	int	1	Feb. 28	Nil	—	2
MAM's		5.95	Feb. 27	5.55	8.75	8.75
Shaw Carpets	int	1	Jan. 31	1	—	2.5
Trans-Oceanic Trust		2.2	—	2	3.2	2.84

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Keystone Inv.

Net taxed income of Keystone Investment for the year ended October 31 1984 rose from £684,000 to £834,000, and a final dividend of 6p lifts the total from 8.84p to 10p net. At the year end net asset value had risen from 347p to 428p over the 12 months; at April 30 last it was 405p.

In the year total income came to £1.51m (£1.31m). The tax charge was £444,000 (£361,000).

Trans-Oceanic Trust

Net asset valne at Trans-Oceanic Trust was shown as 193.5p at the end of October 1984, against 170.5p a year earlier.

Net revenue moved ahead from £1.08m to £1.24m after tax of £675,000 (£642,000). Earnings per 25p share are shown as rising from 2.95p to 3.38p, and the net final dividend has been raised from 2p to 2.2p, which lifts the total from 2.84p to 3.2p.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

German steel merger in doubt over state aid snag

BY PETER BRUCE IN BONN

PROPOSALS TO merge the steel making operations of two of West Germany's biggest producers, Fried. Krupp and Klöckner-Werke, are in serious trouble, according to Government officiala in Bonn.

In the latest of a string of problems for the two steelmakers, and for the Australian mining house, CRA, which bas agreed to take a 35 per cent stake in the new company, the West Germon Finance Ministry is understood to have turned down requests for "start upu" aid of some DM 500m ($163m).

Instead, the Government is understood to bave told the partners it would consider only making conventional subsidies available. These could amount to some DM 300m to finance plant closures and other elements of a planned restrucuring.

The Finance Ministry's attitude will raise doubts now about CRA's continued interest in the project. In response to early doubts about the success of the venture announced in October, Mr Roderick Carnegie, CRA's chairman, asked st a Press coοference in Dusseldorf last month whether CRA was welcome in the country.

Bonn bas never really warmod to the merger, largely because of the amount of aid the partners are aecking. But the CRA chief's implied threat was quickly taken up by the banks, who areowed more than DM 1bn by Krupp alone, and who complained that the entry of a major foreign interest in the country's sluggish steel industry was being hampered by the Government's lack of enthusiasm.

It is understood that tha supervisory boards of both Krupp and Klöckner will not be discussing the merger before the end of this yeor. The new company was supposed to begin operating on January 1.

DM 185m rights issue by KHD

BY OUR BONN CORRESPONDENT

KLÖCKNER - Humboldt - Deutz, the West German engineering group, wbich is one of the country's biggest msnufacturers of heavy diesel engines, plans to raise some DM 185.5m ($51.5m) through a one-for-five rigbts issue in the middle of next month.

KHD is proposing to offer the shares at DM 175 and the move will raise group capital by a nominal DM 53m to DM 318m. It is understood that the issue will contain a mixture of ordinary and non-voting preference abares, so aa not to threaten the major holdings held in the group by Klöckner and Co, and the Henle family.

KHD made it clear in May, when it first gave notice it wos contemplating a rights issue, that the new funds would be used to back up a wide *ranging* investment programme in its engine, agricultural machinery and plant businesses.

The group last raised capital in 1979, realising DM 150m also through a rights issue. The DM 175 price of the latest issue companies with the DM 264 at which the shares currently change bands on the stock morket.

The group said yesterday that 1984 hod beeo "no easy yeor" although it still expected to ot least match last year's net earnings of DM 53.7m.

Fujitsu buys control of SECOINSA

By Our Modrid Correspondent

FUJITSU of Japao is to enter the Sponish computer software market by buying control of SECOINSA from INI, the Spanish state holding company.

The Japanese group lareadу hos a 25 per cent stake in SECOINSA. It will acquire a further 55 per cent under a deal designed to inject fresh capital into the loss-making telecommunications group.

Telefonica, the national telepbooe company *which owns* 19 per ceot of SECOINSA, earlier this year entered into a joint venture with AT & T, the U.S. telecommunications group, to build a semiconductor base in Madrid. The SECOINSA move underlines Telefonica's commitment to the computer sector.

Forecasts for 1984 indicate that SECOINSA, after substontial losses in past years, will make o Pto 50m ($294,000) *profit* for this year *on a turnover* of Pta 10bn.

AGA pays SKr 500m for Wall's Tresor shares

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

MR ANDERS WALL, the lesding Swedish financier, and two close associates yesterday sold their shorebolding in Tresor, a Swedish investment company, to AGA, the industrial gas group, in a transaction worth around SKr 500m ($57.1m).

Tresor's main asset is a 45 per cent shareholding in Uddeholm, a financially stroog holding company with hydro powar and steel interests.

The deal, which caught Swedish financial markets by surprise, signals an important shake up in the Wall loterests which hitherto hava been concentroted in three Swedish investment companies — Iovestment AB Biejer, Argeotus and Tresor.

Having strengthened his financiol position Mr Wall sold yesterdoy he would move shortly to defend his position in Beijer, of which he is chairman, with a bid for at least port of the 3m shares held by Cornegie, another investment company dominated by Mr Erik Penser, the *finaocler*.

Over the last year Carnegie and close ossociates hove built up a holding of more than 20 per cent in Beijer, but Mr Wall has been given an option to buy this stake. He personally alreody has a holding of some 3.7 per cent in Beijer.

Mr Woll was earlier briefly chairmao of Volvo, until he was ousted from thla positioo by Mr Pehr Gyllenhammor.

AGA, ono of the world's leoding industrial gas companles, originally bought a 25 per ceot stake in Tresor in 1983 for some SKr 75m.

It sald yesterday thot it had iocreased its stake to 68 per cent of the votes and 62 per cent of the capital.

Tba totol cost of the acquisition—including the original 25 per cent—is SKr 580m. Following the conversion of outstanding convertible bonds, AGA's share will diminish slightly to 59 per cent of the votes and 53 per cent of the capital.

Elf increases stake in Technip

BY PAUL BETTS IN PARIS

ELF-AQUITAINE, the French state-controlled oil group, bas become the largest shareholder of Technip, the leading French project engineering company, wbicb is currently suffering from acute losses.

Elf's stake in the troubled company bas increased from 24.5 per cont to 33.3 per cent following o long awaited FFr 200m ($21.3m) capitsl increase subscribed by Elf and other Technip shareholders.

Tbe French Government hod pressed Elf to take the lead in the financial recovery moves for Technip which is expected to lose FFr 200m this year after losses of FFr 224m in 1983.

Gáz de France, the French gas utility, has also taken a 13.3 per cent stake in Technip. *The entry of Gaz de France in* Technip's share capital reploces Saint-Gobain, the nationalised glass conglomerate whicb hod earlier announced its intention of disposing of its Technip stake.

Petro-Canada has also become an indirect shareholder of Technip through its 27 per cent stake in ISIS, a subsidiary of the Institut Francais du Petrole (IFP). ISIS now has a 20 per cent staka in Technip while IFP bas 14.4 per cent. Compagnie Francaise des Petroles, the Total oil group, hos o 13.3 per cent stoke in Technip and the French Atomic Energy Agency 5.5 per cent following the capital reconstruction.

● Lesienr, the leoding French edible oil ond food products group, has reported a FFr 5m third-quarter loss. For the first nine months of the year, net earnings declined by 43 per cent to FFr 89m compered with the some period last yeor. Sales rose 28 per cent in the nine months to FFr 7bn, totolling FFr 2.2bo in the third quarter.

Interest costs hit Jardine Matheson

HONG KONG — Full year results of Jardine Matheson Holdings will be disappointing and it will take one or two years for the company fully to regain its financial health, Mr Simon Keswick, the chairman of the diversified trading, *manufacturing* and property group, said yesterday.

In an internal group pnblication, Mr Keswick said that interest costs on its 35 per cen stake in Hongkong Land, poor yields on overseas property, a depressed shipping market, and a weak offshore oil business were to blame.

The board would be making provisions against losses in some interoational group husinesses, mainly properties, he said.

Mr Keswick also sald tbat Jardine wonld "examine asset values in all businesses to make sure they are realistic." He did not give furtber details.

Jardine Matheson previously reported profits of HK$56m (US$7.15m) in the first balf of this year, a 45 per cent decline from a year ago.

Mr Keswick sald that nearly 60 per cent of the gronp's operating funds are tied np in

Mr Simon Keswick: Many units "well ahead."

Hongkong Land, which "now has the profile to be a successive company in the fnture."

The majority of the gronp's operations were making steady profits and the Hong Kong and China bnsinesses had a strong performance with many units showing resnlts "well ahead of last year."

Earlier this year the gronp created a new holding company in Bermuda, saylng that the move was needed becanse nncertainties over Hong Kong's future had placed the compsny at a competitive disadvantage. The reincorporation has made no difference whatsoever to the gronp's operations, according to its chairman.

Reuter

Pabst agrees to Heileman offer

PABST of Milwaukee, the sixth largest U.S. brewery group, has agreed to be acquired by G. Heileman Brewing at a price of $11 a share. The deal, which valnes Pabst at $68m, appears to mark the end of a three-cornered battle and gives victory to Heileman after several years of stalking Pabst, writes our financial stoff.

Hispano Americano shares collapse after dividend move

BY TOM BURNS IN MADRID

BANCO HISPANO Americano, which is to pass its 1984 dividend in order to shore-up a troubled banking aubsidiary, suffered beavy losses oo the Madrid bourse yesterday, with its share price falling 16 per cent to Pta 170.

The stock market reaction to Hispano Americano's dividend move, the first ever passed divideod by a mojor Spanioh bank, took place as efforts contioued to step up Bank of Spain support for the group.

Hispano Americano said that complex talks with the central bank were in progress aimed ot renegotiating the conditions of the Bank of Spain aid which, so far, hod been mostly indirect.

Banco Hispono is to devote its entire 1984 trading profit of around Pta 25bn ($147m) to Banco Urquijo, the troubled industrial bsnk that it absorbed lost yeor.

Shores of Bonco Urquijo-Uoioo, the result of the merger between the Urquijo Bank and Bankunion wbich was an eorlier industrial bonk acquisition of Hispano Americano, were suspended yesterday.

The Bank of Spain issued a statement saying Hispano Americano's decision had been "appropriate and responsible." Officiols soid that negotiations were under way for additional financial support after a closer examination of Banco Urquijo's industriol portofolio hnd revealed that losses were for higher than estimated.

Bankers said that the global cost of Urquijo's problems was now thought to be close to Pta 90bn against an original estimate of *Pta 60bn at the time* of the 1983 absorption by Hispono Americsno.

Another blow to Hisponn Americono hos been the government's decision to block the sale of the oil producer Carbonell, wholly owned by Hispono Americano, to the French group Lesieur

HK commission suspends Deak Perera Finance

BY DAVID DODWELL IN HONG KONG

DEAK PERERA FINANCE, o Hong Kong-licensed deposit toking company (DTC) has hod its activities suspended by the Territory's banking commission because of "business being carried out in s manner detrimental to depositors."

On Thursdoy the Hong Kong company's ultimate parent, Deok and Co, filed along with two of its U.S. affiliates for protection under Chapter 11 of the U.S. bonkruptcy code following severe liquidity problems.

Deok Perera has a atroog retoil presence in Hong Kong, trading in bullion and currency as well as operating as a DTC. None of its five local branches opened yesterday, and queues were reported to have formed outside some of them. Notices pinned to the entraoce door of each brooch said that a statement "will be made," but the company waa still refosing to comment at the end of trading yesterday.

The closure is understood to be linked to the liquidily difficulties of two Deok Perera subsidiaries in the U.S., rather thon to any locol problems.

Mr Robert Fell, Hong Kong's bsnking commissioner, hos been meeting with executives of the *company since* Wednesday, and it is understood there was initiolly concern thot ossets might have been diverted to the U.S. to shore up the troubled subsidiaries' operations.

Banking commission officials said the DTC's Hong Kong dollar deposits bad been occounted for. However, the position on its U.S. dollar deposits is understood to be less clear. The size of the DTC's deposits was unknown. In mid-1983, the company reported total assets of HK$94m, with shareholders' funds of HK$11.5m, aod poid up capital of HK$10m.

Pru-Bache 'not for sale'

MR ROBERT BECK, chairman and chief executive of Prudeotiol Insurance Company of America, yesterday strongly denled speculation thot the insurance company is considering selling Prudential-Bache Securities, its Wall Street securities subsidiary which it acquired for $385m in 1981.

Mr Beck's statement followed the publicotion of a Securities and Exchange Commission (SEC) filing whicb revealed that Prudentiol-Bache received a copital infusion from its porent in October and sustained substantial losses in the first nine months of the year.

The SEC filing shows that Prudential-Bache was provided with an odditional $100m in capitol and a $50m credit line by its parent. The filing also reveals that the securities group, which is o subsidiary of a mutually-owned insurance company does not release quarterly esrnings reports, had a $104.8m net loss in the first nine montbs of the year.

The nine-month net loss, believed to be the lorgest ever sustained by a Wall Street full-service securities firm, reflects an $86.8m operating loss, including a $21.1m operating deficit in the third quarter.

Prudential-Boche's losses have prompted growing speculation on Wall Street that Prudential might move to sell its securities unit. But yesterdoy Mr Beck soid: "The continued speculation about the Prudential's supposed plans to sell Prudential-Bache Securities mystifies me. We have no such intention and never even discussed such a course. I hope this puts the matter to rest once and for all."

Mr George Ball, president and chief executive of the securities unit and one of Prudential's six-member executive office policy-making group, added:

"The Prudential Insurance Co of America has not considered and does not intend to divest itself of Prudential-Bache. There has been no discussion whatsoever of it. The Prudential is pleased with the strong ond involved comparative showing of the firm. Moreover, it has continued long-term confidence in the future of the securities industry."

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hill Samuel	§ 9½%
Allied Irish Bank	9½%	C. Hoare & Co.	† 9½%
Amro Bank	9½%	Hong Kong & Shanghai	9½%
Henry Ansbacher	9½%	Johnson Matthey Bkrs.	9½%
Armco Trust Ltd.	10½%	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	10½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	10 %
Bank Hapoalim	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Meghraj and Sons Ltd.	9½%
Bank of Ireland	9½%	Midland Bank	9½%
Bank of Cyprus	9½%	■ Morgan Grenfell	9½%
Bank of India	9½%	National Bk. of Kuwait	9½%
Bank of Scotland	9½%	National Girobank	9½%
Banque Belge Ltd.	9½%	National Westminster	9½%
Barclays Bank	9½%	Norwich Gen. Tst.	9½%
Beneficial Trust Ltd.	10½%	People's Tst. & Sv. Ltd.	10½%
Brit. Bank of Mid. East	9½%	R. Raphael & Sons	9½%
■ Brown Shipley	9½%	P. S. Refson	9½%
CL Bank Nederland	9½%	Roxburghe Guarantee	10 %
Canada Perm'nt Trust	9½%	Royal Bk. of Scotland	9½%
Cayzer Ltd.	9½%	Royal Trust Co. Canada	9½%
Cedar Holdings	11 %	■ J Henry Schroder Wagg	9½%
■ Charterhouse Japhet	9½%	Standard Chartered	‖ 9½%
Choulartons	11 %	Trade Dev. Bank	9½%
Citibank NA	9½%	TCB	9½%
Citibank Savings	§11½%	Trustee Savings Bank	9½%
Clydesdale Bank	9½%	United Bank of Kuwait	9½%
C. E. Coates & Co. Ltd.	10½%	United Mizrahi Bank	9½%
Comm. Bk. N. East	9½%	Westpac Banking Corp.	9½%
Consolidated Credits	9½%	Whiteaway Laidlaw	10 %
Co-operative Bank	* 9½%	Williams & Glyn's	9½%
The Cyprus Popular Bk.	9½%	Wintrust Secs. Ltd.	9½%
Dunbar & Co. Ltd.	9½%	Yorkshire Bank	9½%
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	11 %		
■ Robert Fleming & Co.	9½%		
Robert Fraser & Ptns.	10 %		
Grindlays Bank	‡ 9½%		
■ Guinness Mahon	9½%		
■ Hambros Bank	9½%		
Heritable & Gen. Trust	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.25%, 1 month 7.00%. Fixed rate 12 months £2,500 8.75% £10,000. 12 months 9.00%.
† 7-day deposits on sums of under £10,000 6¼%, £10,000 up to £50,000 7¼%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6¼%.
‖ 21-day deposits over £1,000 7¼%.
§ Demand deposits 6%.
¶ Mortgage base rate.

WORLD STOCK MARKETS

WALL STREET

Quiet, but edging up at midsession

Stock prices were higher at mid-session on Wall Street in quiet end-of-the-week trading yesterday.

The Dow Jones industrial average, which fell a little more than one point on Thursday, was up about 2½ to under 1172.

Overall, advancing issues led losers six to five. Volume was about 37m shares.

Union Carbide again led the active list, off $1½ to $37¼.

Prospective takeover targets crowded the active list. ITT was up $⅞ to $31⅞. Phillips Petroleum rose $1½ to $53⅞. Revlon climbed $¾ to $35 and Datapoint was up $¾ to $18⅜.

Investor Irwin Jacobs has been accumulating ITT stock. A Delaware court enjoined a suit by Phillips that would have blocked a tender offer by Mesa Petroleum. Investor Asher Edelman is said to be buying Datapoint stock.

Cluett Peabody, in another rumoured takeover situation, rose $1⅛ to $28⅛.

The American Stock Exchange index was up 0.20 to 202.57.

CANADA

Toronto stock prices were mixed at midsession with declines in the golds offsetting gains in metals, real estate and other selected stocks.

The composite index was up 3.3 points at 2,356.3 after a three point decline in the early going.

Losing issues, however, led the winners 245 to 213 on busy turnover of 4,987,401 shares.

Volume leader British Telecom was up C$⅛ at C$14⅞ on 262,393 shares.

On the active list, Bell Canada was up C$⅛ at C$35½, Toronto Dominion fell C$¼ to C$17⅞, Daon rose 9 cents to C$1.69 and Royal Bank was unchanged at C$28⅜.

Magna International Class A was off C$⅛ at C$17⅜ on active volume of 139,652 shares. Frank Stronach, Magna chairman, said he had sold 400,000 Class A subordinate voting shares within the past week to reduce personal loans.

The Montreal Stock Exchange market portfolio index was up 0.29 at 117.06 on turnover of 551,140 shares.

The Vancouver Stock Exchange index was off 2.70 at 868.06 on turnover of 3,488,549 shares.

Closing prices for North America were not available for this edition.

GERMANY

Share prices closed a relatively quiet bourse session mainly lower, though with some individual shares ending little changed or higher, as the market continued to pause after the sharp gains earlier this week.

The Commerzbank index of 60 leading shares, reflecting the cautious mood of the market while no new major factors emerged, fell 4.7 points to 1,092.5, 10.2 points below Tuesday's new record high of 1,102.7.

In Banks, Commerzbank was little affected by news Banco Hispano, in which it holds a 10 per cent share, will not pay a dividend this year. It ended DM 1.50 down at DM 172.20.

But other banks eased too, with Deutsche closing DM 1.30 down at DM 380.50, Bayernhypo ending DM 1 lower at DM 322 and BHF finishing DM 2 down at DM 275, while Dresdner ended unchanged at DM 189 and Bayernverein was unchanged at DM 330.

In Cars, Daimler was DM 2.30 higher at DM 577.50 but BMW DM 2 down at DM 372.50 and Porsche fell DM 24.50 to DM 991 while VW closed unchanged at DM 198.70.

PARIS

French shares extended their gains in active trading in reaction to Thursday's sharp price falls.

The rally came as the bond market calmed down after the previous day's panic selling, following assurances by M Pierre Beregovoy, Prime Minister, on plans for a certificates of deposit market. Bonds accounted for FFr 12.31bn of Thursday's FFr 12.75bn volume.

Shares were encouraged by steadiness of the dollar and Wall Street, despite the decline of Union Carbide.

The 50-share indicator was 0.72 per cent up as gains outnumbered losses 102 to 53.

Major gains were led by Imetal, up FFr 2.90 at FFr 79.90.

Foods, one of the sectors hit hardest by recent declines, recovered well with Moet-Hennessy up FFr 27 at FFr 1,837. Constructions were firm with Bouygues up FFr 13 at FFr 687.

Foreign shares were weak all round, with Americans, Germans, Dutch, Japanese, oils and gold all losing ground. The only major rises were in ITT and Inco, which rose 7 per cent.

SWITZERLAND

Domestic share prices continued higher in active trading underpinned by a softer dollar and renewed seasonal buying interest.

Leading industrials, insurance and banking issues were in demand. In pre-bourse dealings Hoffmann-La Roche "baby" slipped SwFr 25 to SwFr 8,850 after its Sapac Holding said it will pay an unchanged dividend for the year ended September 30 1984.

Banks rallied, including bearer shares of UBS and Credit Suisse, up SwFr 20 and SwFr 15 to SwFr 3,590 and SwFr 2,345 respectively. Baer Holding gained SwFr 50 to SwFr 7,200, a new high for the year.

TOKYO

Share prices closed sharply lower in active trading on Wall Street's fall and a sudden lack of confidence in pharmaceuticals and biotechnology-related shares, leaders in the recent rally.

The market average slumped 92.87 to 11,466.93 after rising 16.61 on Thursday on volume of 500m shares against 480m on Thursday.

The Stock Exchange index fell 0.66 to 884.27 while the second section of the market weakened on a turnover of 15m shares against 18m the day before.

"Daiichi Seiyaku led the decline in pharmaceuticals when a recent production approval application was stalled," said one dealer. "Other drugs and biotechnology issues followed suit as buyers realised not every new product will be a big success and suddenly a dark mood took over."

Daiichi Seiyaku plunged Y190 to Y1,650, Dainippon Pharm Y320 to Y4,980, Kirin Breweries Y10 to Y565 and Toyojozo Y70 to Y1,020.

Wall Street's weakness drove International populars down again. "Today's losses were not great, but some populars shares are now 20 per cent below October values," said one dealer. "If they drop another 10 per cent then there will have to be a turnaround."

Matsushita Electric lost Y30 to Y1,360, Hitachi Y11 to Y842, Sony Y20 to Y3,530, Fanuc Y200 to Y10,500, and Kyocera Y190 to Y6,760.

Financials closed firm despite fluctuations during the day, Mitsubishi Bank advancing Y70 to Y1,300, Fuji Bank Y50 to Y1,340 and Yamaichi Securities Y15 to Y595.

HONG KONG

Shares recovered early losses in brisk trading as speculators covered their short positions and selling pressure subsided during the afternoon.

Other investors also entered the market on bargain hunting, apparently on the belief that the consolidation is over and the Hang Seng index is now ready to test the year high of 1,170.35 set on March 19.

The index closed the day 1.38 higher at 1,122.12. Turnover was HK$204.73m compared with Thursday's HK$192.93m.

SINGAPORE

Share prices closed mixed after lack of follow-through buying and some profit-taking pared earlier gains in moderate trading.

The Straits Times industrial index gained 0.60 point to 818.43 and the Stock Exchange industrial/commercial index 2.52 to 589.39. Volume rose to 12.4m units from 10.3m on Thursday.

AUSTRALIA

Australian share markets closed slightly easier with selling concentrated in industrial issues.

The all ordinaries index was down 1.1 at 726.1, the all industrials index was down 4.9 at 1,066.4 and the all resources index was up 1.6 at 463.7.

National turnover was 46.65m shares worth A$49.44m. Falls outnumbered rises 219 to 140.

NEW YORK

CANADA

Indices

NEW YORK ACTIVE STOCKS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firmer

The dollar improved from Thursday's close in currency markets yesterday although it finished some way below it best level. Short covering ahead of the weekend provided the initial impetus but once again the volume of trading was comparatively low due to the proximity of the year end.

News of a fall in U.S. unemployment should have provided a useful fillip for the dollar together with a slightly higher than expected weekly U.S. M1 money supply figure. However, there was mounting concern over the possibility of further intervention by the West German Bundesbank and fears were substantiated to some extent when the West German central bank was detected in open trading as well as selling a small amount of dollar's at the Frankfurt fixing.

Against this background the dollar retained its firm undertone but there appeared to be little incentive to push it too firmer for the time being. Against the D-mark it closed at DM 3.0850 from DM 3.0625, having traded between a high of DM 3.0940 and a low of DM 3.0630. It was firmer against the Swiss franc at SwFr. 2.5245 and Y247.35 compared with Y246.55. Against the French franc it finished at FFr 9.4425, up from FFr 9.3825. On Bank of England figures, the dollar's index rose from 142.5 to 142.7.

Sterling was a little weaker against the strong dollar but resisted the dollar's rise in better fashion than most European currencies. It was stronger as a result against the D-mark at DM 3.71 from DM 3.69 and SwFr 3.06 compared with SwFr 3.0450. Against the French franc it rose t FFr 11.3850 from FFr 11.30 but was unchanged against the yen at Y29750. Sterling lost 35 points in terms of the dollar to finish at $1.2025-$1.2035. Its Bank of England index was unchanged at 74.7.

£ in New York

	December 7	Prev. close
£ Spot	$1.2025-1.2035	$1.8065-2095
1 month	0.06-0.04 pm	0.07-0.04 pm
3 months	0.09-0.06 pm	0.11-0.06 pm
12 months	0.60-0.50 dis	0.40-0.66 dis

Forward premiums and discounts apply to the U.S. dollar.

STERLING EXCHANGE RATE INDEX

	Dec 7	Previous
8.30 am	74.6	74.8
9.00 am	74.6	74.8
10.00 am	74.6	74.8
11.00 am	74.7	74.6
Noon	74.6	74.6
1.00 pm	74.7	74.7
2.00 pm	74.7	74.6
3.00 pm	74.6	74.7
4.00 pm	74.7	74.7

POUND SPOT—FORWARD AGAINST POUND

Dec 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1990-1.2075	1.2025-1.2035	0.06-0.03c pm	0.45	0.09-0.04pm	0.22
Canada	1.5880-1.5915	1.5883-1.5907	0.10-0.19c dis	−1.06	0.33-0.47dis	−1.01
Nethlnd.	4.17-4.19½	4.18½-4.19½	1½-1¼c pm	3.76	4-3¾pm	3.64
Belgium	74.44-75.65	74.60-74.70	4-9c dis	−1.04	14-22dis	−0.99
Denmark	13.28½-13.36¼	13.33½-13.34½	2½-3½ore dis	−2.59	6½-7½dis	−2.04
Ireland	1.1876-1.1933	1.1910-1.1920	0.47-0.63p dis	−5.54	1.39-1.70dis	−5.18
W. Ger.	3.69¾-3.72¼	3.70½-3.71½	1¼-1pf pm	3.64	3¾-3½pm	3.77
Portugal	198.20-200.18	198.33-199.78	200-600c dis	−24.12	565-1740d	−23.37
Spain	205.40-206.00	205.42-205.60	40-60c dis	−2.92	140-170dis	−3.01
Italy	2,277½-2,299½	2,282½-2,283½	9-14lire dis	−6.04	25-34dis	−5.43
Norway	10.70½-10.74¼	10.72½-10.73½	3-3½ore dis	−3.77	8½-10dis	−3.63
France	11.31½-11.39½	11.38-11.39	1-1½c dis	−1.36	3¼-4¼dis	−1.34
Sweden	10.57-10.59¼	10.58¼-10.59¼	1½-2½ore dis	−2.12	5½-6¼dis	−2.24
Japan	296¾-298	297-298	0.82-0.72y pm	3.11	2.41-2.28pm	3.15
Austria	25.90-25.97	25.92-25.97	3½-2½gro pm	1.42	12½-9½pm	1.72
Switz.	3.04½-3.06¼	3.05½-3.06½	1½-1c pm	4.86	3½-3¼pm	4.49

Belgian rate is for convertible francs. Financial franc 75.15-75.25. Six-month forward dollar 0.08-0.13c dis, 12-month 0.60-0.75 dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Dec 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1990-1.2075	1.2025-1.2035	0.06-0.03c pm	0.45	0.09-0.04pm	0.22
Ireland†	1.0085-1.0145	1.0085-1.0100	0.52-0.47c pm	5.98	1.40-1.30pm	5.33
Canada	1.3195-1.3218	1.3212-1.3217	0.18-0.21c dis	−1.77	0.42-0.47dis	−1.35
Nethlnd.	3.4570-3.4910	3.4840-3.4850	0.96-0.94c pm	3.28	2.89-2.86pm	3.31
Belgium	61.70-62.20	62.10-62.20	9½-11c dis	−1.99	20-30dis	−1.39
Denmark	11.03-11.12	11.08¾-11.09¼	1-3ore dis	−2.17	5-6dis	−1.98
W. Ger.	3.0630-3.0940	3.0845-3.0855	0.97-0.92pf pm	3.69	2.72-2.67pm	3.51
Portugal	164¾-166	164¾-165¼	175-525c dis	−25.42	500-1450d	−23.60
Spain	170.45-171.35	170.95-171.25	45-55c dis	−3.52	135-155dis	−3.40
Italy	1,893¾-1,903	1,899½-1,900½	9½-10lire dis	−0.18	27-27½dis	−5.78
Norway	8.89¾-8.94½	8.91½-8.92¼	2.90-3.40ore dis	−4.25	8.10-8.60dis	−3.75
France	9.38¾-9.47	9.44-9.44½	1.30-1.40c dis	−1.72	3.50-3.80dis	−1.55
Sweden	9.77½-9.82	9.80¼-9.80¾	1.70-2.20ore dis	−2.66	5.15-5.65dis	−2.48
Japan	246.50-247.55	247.30-247.40	0.56-0.52y pm	2.62	1.80-1.75pm	2.67
Austria	21.51¼-21.73¾	21.70-21.73	2.50-1.80gro pm	1.14	9-7pm	1.48
Switz.	2.5240-2.5480	2.5420-2.5430	0.90-0.84c pm	4.13	2.66-2.62pm	4.19

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial rate 62.45-62.55.

OTHER CURRENCIES

Dec. 7	£	$		£ Note Rates
Argentina Peso	183.44-183.79	152.91-153.05	Austria	25.85-26.13
Australia Dollar	1.4150-1.4160	1.1755-1.1760	Belgium	74.36-75.26
Brazil Cruzeiro	3,488.80-3,510.05	2,908-2,923	Denmark	13.39-13.56
Finland Markka	7.6866-7.7323	6.4080-6.4100	France	11.28-11.40
Greek Drachma	150.88-153.33	124.70-127.91	Germany	3.68¼-3.72¼
HongKong Dollar	9.4000-9.4100	7.8250-7.8280	Italy	2270-2300
Iran Rial	110.70*	93.25*	Japan	290-301
KuwaitDinar(KD)	0.35418-0.35455	0.30335-0.30340	Netherlands	4.15¾-4.19¾
Luxembourg Fr	74.50-74.70	62.10-62.20	Norway	10.69-10.80
Malaysia Dollar	2.8980-2.9040	2.4120-2.4150	Portugal	199-209
NewZealand Dlr.	2.4680-2.4730	2.0540-2.0560	Spain	201-210¼
Saudi Arab Riyal	4.2730-4.2785	3.5583-3.5610	Sweden	10.52-10.63
Singapore Dollar	2.6050-2.6110	2.1680-2.1700	Switzerland	3.04-3.07
Sth African Rand	2.1956-2.2073	1.8350-1.8415	United States	1.19⅛-1.21½
U.A.E. Dirham	4.4080-4.4155	3.6720-3.6730	Yugoslavia	268-332

* Selling rates.

EXCHANGE CROSS RATES

Dec. 7	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.203	3.710	297.3	11.39	3.060	4.190	2285.	1.590	74.65
U.S. Dollar	0.831	1.	3.085	247.4	9.443	2.543	3.485	1900.	1.321	62.25
Deutschemark	0.270	0.324	1.	80.19	3.068	0.825	1.128	615.4	0.428	20.12
Japanese Yen 1,000	3.361	4.044	12.47	1000.	38.97	10.29	14.08	7674.	5.343	250.8
French Franc 10	0.878	1.057	3.259	261.3	10.	2.698	3.680	2005.	1.396	65.57
Swiss Franc	0.327	0.393	1.219	97.29	3.721	1.	1.368	746.1	0.519	24.40
Dutch Guilder	0.238	0.287	0.885	71.00	2.717	0.730	1.	544.8	0.379	17.82
Italian Lira 1,000	0.438	0.527	1.625	130.3	4.987	1.340	1.835	1000.	0.697	32.70
Canadian Dollar	0.629	0.757	2.334	187.2	7.163	1.925	2.636	1436	1.	46.86
Belgian Franc 100	1.340	1.618	4.970	398.9	15.26	4.099	5.613	3059.	2.129	100.

MONEY MARKETS

Little change

Interest rates were mostly unchanged in London yesterday. A lack of movement in the periods reflected an increased lack of participation especially in the foreign exchange market before the year end. One or two longer term rates may have put on a 1/16 of a point after the start of trading in the U.S. but by and large there was little to disturb the run in to the weekend.

Three-month interbank money was quoted at 9⅝-9¾ per cent, unchanged from Thursday as were three-month eligible bank bills, bid at 9¼ per cent. Short term rates ended on a softer note as the Bank of England gave assistance exceeding the projected shortage. Weekend money opened at 9⅝-9½ per cent and traded for much of the morning at 9½-9¼ per cent. Rates had eased by lunchtime to 9⅛-9¼ per cent before slipping away to 3 per cent.

UK clearing banks' base lending rate 9½-9¾ per cent since November 23.

The Bank forecast a shortage of around £900m which was later revised to £950m. The day's total assistance came to £1,011m. Factors affecting the market included maturing assistance and a take up of Treasury bills together draining £289m and the unwinding of previous sale and repurchase agreements a further £271m. In addition there was a rise in the note circulation of £295m and banks brought forward balances £140m below target. These were partly offset by Exchequer transactions which added £110m.

To help alleviate the shortage the Bank offered an early round of assistance which totalled £707m and comprised purchases of £3m of eligible bank bills in band 1 (up to 14 days) at 9⅜ per cent and £101m in band 2 (15-33 days) at 9⅜ per cent. In band 3 (34-63 days) it bought £64m of eligible bank bills at 9⅜ per cent and in band 4 (64-91 days) £34m at 9¼ per cent. It also arranged sale and repurchase agreements on £505m of bills at 9⅝ per cent, unwinding on January 7.

Further help in the morning was made up of purchases of £50m of eligible bank bills in band 4 at 9¼ per cent. Additional help in the afternoon comprised purchases of £50m of eligible bank bills in band 2 at 9⅜ per cent and in band 3 £70m of Treasury bills and £16m of eligible bank bills all at 9¼ per cent. In band 4 it bought £48m of Treasury bills at 9¼ per cent. The Bank also provided late assistance of £70m.

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Dec. 6 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	3-9½	9-9¼	6-9¼	5-9⁵⁄₁₆	—	—	—	—	—
2 days notice	—	—	9⅛-9¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	9⅜-9½	9¼-9⅜	9½-9⅝	9¼-9½	—	—	—	—	—
One month	9⅜-9⅜	9⅝-9⅞	9½	9⅝-9⅞	9½	9⅜	9⅜	9⅜	9⅞	10
Two months	9⅝-9½	9⅝-9¾	9⅝	9⅛	9⅝	9¼	9⅜	9¼	9⅜	9⅞
Three months	9⅝-9⅞	9⅝-9¾	9⅝	9¾	9¼	9⅛	9⅜	9⅛	9¼-9⅜	9¾
Six months	9⅞-9⅞	9¾-9⅞	9⅝	—	—	—	—	9⅜	9¼	9⅞
Nine months	9⅞-9⅞	9⅞-10	—	—	—	—	—	—	—	—
One year	9⅞-9⅞	10-10⅛	10	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10¼-9⅞	—	9⅝	8.8-8.9	8⅞-8⅞	9⅞-9½
Two months	10⅛-9¾	—	9⅝	8.9-9.0	8⅞-9⅛	9⅞-9½
Three months	10⅛-9¾	—	9⅞	8.95-9.05	8⅝-8⅞	9⅞-9½
Six months	10-9⅝	—	9⅞	9.30-9.45	9⅝-9⅞	9⅞-9⅞
Nine months	10¼-9⅞	—	10	9.7-9.9	—	—
One year	10¼-9⅞	—	10⅛	9.95-10.10	9-9¼	9⅞-9⅛
Two years	—	10⅜	—	—	—	—
Three years	—	10¾	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period November 7 to December 4 1984 (inclusive): 9.904 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10½ per cent from December 1 1984. London and Scottish Clearing Bank Rates for lending 9½-9¾ per cent. London Deposit Rates for sums at seven days' notice 6-6¼ per cent. Treasury Bills: Average tender rates of discount 9.0694 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 9¾ per cent; one-three months 9¾ per cent; three-six months 9¾ per cent; six-nine months 10 per cent; nine-12 months 10 per cent. Under £100,000 9½ per cent from November. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. December 7) 3 months U.S. dollars

bid 9 1/4	offer 9 3/8

6 months U.S. dollars

bid 9 5/8	offer 9 3/4

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 7	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	8¼-8½	8⁷⁄₁₆-8⁹⁄₁₆	10⅝-11	6⁵⁄₁₆-5⁹⁄₁₆	1⅛-1¼	6½-6⅝	10⅛-10⅜	14½-16	10¼-10¾	10½-10¾	6⅜-6⅝	11½-12
7 days' notice	8¼-9½	8¾-8⅞	10¾-11⅛	5⁹⁄₁₆-5⁹⁄₁₆	1⅛-1⅜	5½-5⅝	10½-10¾	15½-16½	10½-11	10½-10¾	6⅝-6½	11⅝-12⅛
Month	9⅝-9¾	8⁷⁄₁₆-9⁵⁄₁₆	10⅞-10¾	5¾-5⅛	5-5⅛	5⁹⁄₁₆-5⁹⁄₁₆	10⅝-10⅞	15⅛-15⅝	10½-11	10⅝-10⅞	6½-6⅞	11⅞-12⅝
Three months	9⅝-9¾	8¼-9⅜	10⅞-10¾	3⅞-6	4⁷⁄₁₆-8⁷⁄₁₆	5⁹⁄₁₆-5⁹⁄₁₆	10⁹⁄₁₆-11⁵⁄₁₆	10-15½	10½-11	10⅝-10⅞	6⅛-6⅝	11⅝-12⅛
Six months	9⁷⁄₁₆-9⁹⁄₁₆	9⅝-9¾	10⅝-10⅞	5⁹⁄₁₆-6⁷⁄₁₆	4⁷⁄₁₆-5⁷⁄₁₆	6⁷⁄₁₆-6⁹⁄₁₆	11¼-11⅝	15-15½	10½-11	10⅝-10⅞	6⅛-6⅜	11½-12
One year	10-10⅛	10⅛-10⅛	10⁹⁄₁₆-10⅞	6⅞-6⅞	4⅝-5⅛	5⁹⁄₁₆-5⁹⁄₁₆	11¾-12	15⅞-15½	10½-11	10⅝-10⅞	6⅞-6⅜	11½-12

Asian $ (closing rates in Singapore): Short-term 8¹¹⁄₁₆-8¹³⁄₁₆ per cent; seven days 9¹¹⁄₁₆-8¹³⁄₁₆ per cent; one month 9³⁄₁₆-9⁵⁄₁₆ per cent; three months 9⅝-9¾ per cent; six months 9⅝-9¾ per cent; one year 10⅛-10⅝ per cent. Long-term Eurodollars: two years 11-11¼ per cent; three years 11½-11¾ per cent; four years 11⅝-11⅞ per cent; five years 11⅞-12⅛ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	High	Low
METALS					
Aluminium	£1100	—	£1050	£1100	£1100
Free Markets c.i.f.	$1190/1230	+30	$1575/1605	$1600/1630	$1025/1075
Antimony					
Free Market 99.6%	$3200/3275	−17.5	$2400/2500	$3575/3825	$2450/92
Copper Cash High Grade	£1097.5	+8	£999.5	£1123.75	£945
3 months Do. Do.	£1114.5	+6.75	£1024.25	£1143.75	£968.75
Cash Cathodes	£1110	+9	£982	£1134.6	£940.5
3 months Do.	£1121.5	+9.25	£1007	£1153.25	£957
Gold Per oz.	$397.5	−1.75	$398.875	$405.75	$327.5
Lead Cash	£340.5	+6	£282.195	£382.5	£260.5
3 months	£334.0	+3.25	£291.75	£387.87	£279.25
Nickel	£5967	—	£4646.34	£5967	£4838
Free Markets c.i.f. lb	221/251c	+15	205/225c	221/251c	203/223c
Palladium per oz.	$139.50	−1.25	$161.75	$162.25	$130.00
Platinum per oz.	$318.00	−1	£275.80	$411.25	$317.95
Quicksilver (76 lbs)	$295/305	—	$305/315	$31 9. 1	$290/300
Silver per oz.	579.35p	−7.75	644.40p	679.70p	525p
3 months per oz.	592.35p	−7.80	658.90p	694.40p	544.30p
Tin cash	£9835	+15	£8750	£9857.5	£8370
3 months	£9813.5	+26	£8858	£9827.5	£8517.5
Tungsten Ind.	$86.50	+5.16	$75.08	$89.56	$74.43
Wolfram (39.04 lb.)	$74/76	−1	$61.72	$86/90	$71/75
Zinc cash	£658.75	+14	£691.75	£787.5	£592.5
3 months	£654.75	+10.5	£606.75	£716.95	£594.5
Producers	$900	—	$950	$1050/1090	$900
GRAINS					
Barley Futures	£113.15y	−0.60	£124.36	£123.55	£105.55
Maize French	£145.50	—	£146.00	£164.50	£145.00
WHEAT Futures	£116.85y	−0.45	£124.05	£150.50	£105.55
Hard Winter Wheat	‡	—	‡	‡	‡
SPICES					
Cloves	£4,200	—	£6,300	£5,000	£4,000
Pepper, white	$3,385	−76	$3,050	$3,600	$2,500
black	$2,160	+50	$2,050	$2,350	$1,500
OILS					
Coconut (Philippines)	$1080z	+45	$976	$1,675	$900
Groundnuts 5%	$930x	—	‡	$1,180	$815
Linseed Crude	£575v	—	‡	£576	£397
Palm Malayan	$595u	−5	$700	$1,000	$560
SEEDS					
Copra (Philippines)	$570w	—	$645	$865	$640
Soyabeans (U.S.)	$253z	—	$309	$358	$236.75
OTHER COMMODITIES					
Cocoa Shipments §	£1,960	+9	£1847	£2,173	£1,679.0
Cocoa Futures Mar	£1,855.6	+18	£1787	£2103.6	£1638
Coffee Futures Mar	£2,947	−31	£1,967	£2,518	£1,899.6
Cotton Index			89.80c	90.10c	79.00c
Des. Coconut	£1,250	−30	£980	£1,345	£995
Gas Oil Fut. Jan	$930.5	+1	$243.5	$257.75	$214.25
Jute LJA BWC grade	$979	+20	‡	$879	$485
Rubber kilo	61.5p	+1.6	64.50p	91p	58p
Sago Pearl			$850	$345	$385
Sisal No. 3L	$870	—	$660	$670	$630
Sugar (Raw)	$118.50w	+1.6	£134.5	$194	$105
Tapioca No. 1			£316	£330	£295
Tea (quality) kilo	320p	−10	278p	676p	967p
(lowtm'd) kilo	250p	—	228p	280p	198p
Wooltops 64s Super	482p kilo	—	411p kilo	482p kilo	485p kilo

‡ Unquoted. (g) Madagascar. § Ghana cocoa. (x) Jan-Feb. (z) Nov-Dec. (w) Dec-Jan. (u) Jan. (y) March.

REVIEW OF THE WEEK

Nickel price surges to record level

BY OUR COMMODITIES STAFF

FREE MARKET Nickel prices on the London Metal Exchange surged to record levels this week. The cash price for nickel rose by £180 to £4,102.5 a tonne, while the three months quotation gained £118 to £4,104.

As the larger rise in the cash price suggests, the market is being pushed up by fears of a "squeeze" on supplies immediately available to the market. LME warehouse stocks are expected to be further reduced by shipment to Japan.

Another bullish influence was news that the unrest in New Caledonia had cut production at the Le Nickel mines and smelters there.

Meanwhile Inco of Canada announced further closures at its mines in Canada, following the temporary halt in operations at its Clydach smelter in Wales recently.

Other base metal prices were generally firmer. Copper was boosted by a sharp decline in warehouse holdings to the lowest level since August 1982.

Aluminium was buoyed up by forecasts that world stock figures to be released by the International Primary Aluminium Institute on Monday will show a downturn in world stocks.

Zinc values rose following a further decline in warehouse stocks and a shortage of immediately available supplies. Lead shrugged off a rise in stocks, and the surprise settlement of the Asarco strike on the Missouri lead belt, and ended the week marginally higher.

Potato futures was the liveliest London soft commodity market again this week with the April position ending £000 higher at £000 a tonne despite easing a little yesterday.

The rise was mainly due to news that the Potato Marketing Board was considering further measures to relieve this season's glut. In particular prices were boosted by suggestions of an increase in the minimum marketable size of potatoes aimed at removing up to 300,000 tonnes from the market.

London trade house Gill and Duffus issued its first estimate of the 1984-85 world cocoa balance this week forecasting a surplus of production over consumption of about 25,000 tonnes. But the prediction was broadly in line with market expectations and had little price impact.

Cocoa prices traded in a narrow range though continuing concern about the availability of beans for delivery against the prompt December position kept nearby values relatively firm. The March delivery quotation ended the week £16 higher at £1,855.50 a tonne.

Figures published by the International Commodities Clearing House yesterday showed that cocoa futures last month regained the lead in the soft commodities turnover table which was lost to gas oil in October. Cocoa turnover totalled 95,336 lots followed by robusta coffee with 55,944 lots and gas oil with 56,249 lots.

Total November turnover was 301,232 lots, down from 383,803 lots in the same month last year.

OIL

Most of the urgent refiner requirements have now been covered and North Sea prices drifted down in thin trade. The Nymex opened 7-10c down and held around this level until 1 pm EST. Petroleum products were stable to weak. Fair weather on the U.S. east coast depressed Nymex levels and the IPE and European spot gas oil weakened by $1-$2. The underlying feeling of the heavy fuel market firmed due to buying interest from majors and those wishing to procure cargoes to cover past sales—Petroleum Argus.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	27.80-27.85	+0.05
Arab Heavy	26.15-26.25	−0.10
Dubai	27.70-27.80	—
Brent Blend	27.35-27.45	−0.05
W.T.I. (1pm est)	27.55-27.65	−0.15
Forcados (Nigeria)	27.50-27.55	−0.05
Urals	27.50-27.60	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	243-246	−8.5
Gas Oil	226-228	−1.0
Heavy fuel oil	182-184	—

* Jan.

Petroleum Argus Estimates.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Dec.	221.00	−2.25	228.75-27.50
Jan	230.50	−1.25	231.00-29.75
Feb	230.25	−3.25	231.50-30.00
March	226.75	−2.25	227.75-25.75
April	221.00	−5.80	223.50-21.00
May	221.00	−4.50	222.75-25.00
Jun	222.50	−1.00	222.50

Turnover: 1,218 (2,815) lots of 100 tonnes.

GOLD

Gold fell to its lowest closing level for 2½ years in the London bullion market yesterday, shedding $3 an ounce from Thursday's close to finish at $327¼-327¾. The metal opened at $330¼-331, which proved to be the day's high and slipped at one point to a low of $326¾-327¼. A weaker silver price and a firmer dollar were seen as the two main factors behind the softer trend.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Dec.	[illegible]		
Feb.	[illegible]	[illegible]	[illegible]
April	[illegible]		

Turnover: 102 (46) lots of 100 troy ounces.

GOLD BULLION (fine ounce) Dec. 7

Close	$327¼-327¾	(£271¾-272¼)
Opening	$330¼-331	(£274-274¼)
M'n'g fix	$330.00	(£273.618)
Aft'n'n fix	$327.00	(£271.880)

GOLD AND PLATINUM COINS

Kr'g'r'nd.	$337½-338¼	(£280¼-281)
½ Krug.	$173-174¾	(£144¼-146¼)
¼ Krug.	$89½-90¼	(£74¼-75)
1/10 Krug.	$36¼-37	(£30-30¾)
Mapleleaf	$337½-338¼	(£280¼-281)
New Sov.	$77¼-78	(£64¼-64¾)
½ New Sov.	$47-47¾	(£39-39½)
Old Sov.	$78-79½	(£65-66¼)
$20 Eagle	$500-530	(£410¼-441¼)
Noble Plat	$387-330½	(£271½-274¼)

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1107, three months £1125, 25.5, 26, 25.5, 25, 24, 23.5. Cathodes: Cash £1118, 19. Kerb: Three months £1123.5, 23, 22. Afternoon: Higher Grade: Three months £1117, 18.5, 15, 14.5. Kerb: Three months £1114.5, 15, 14, 13, 12. Turnover: 20,275 tonnes U.S. Producers: 62.50-67.00 cents per pound.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	1101.5-7	+8.5	1097-8	−1
3 months	1125-.5	+5	1114-.5	−2.5
Settlem't	1107	+5	—	—
Cathodes				
Cash	1118-9	+8	1109-11	−3
3 months	1130-1	+7	1121-2	+.5
Settlem't	1118	+4	—	—

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	9850-1	−48	9855-60	−37
3 months	9840-5	−86	9845-50	−80
Settlem't	9881	−44	—	—
Standard				
Cash	9811-9	−34	9830-40	−22.5
3 months	9800-5	−10.5	9818-5	−14
Settlem't	9812	−34	—	—
Straits E.	$29.15	—	—	—

Tin—Morning: Standard: Cash £9815, 12, three months £9815, 10, 9800, 05. High Grade: Cash £9850, three months £9855, 50, 45. Kerb: Three months £9805, 10. Afternoon: Standard: Three months £9815, 10, 15. High Grade: Cash £9860. Kerb: Three months £9815. Turnover: 3,270 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	344.5-5.0	+6.25	340-1	+3
3 months	334.5-5	+.5	334-5	+.25
Settlem't	345.5	+5.5	—	—

Lead—Morning: Cash £339, 40, 41, 42, 43, 44, 45, three months £336, 35, 34, 35. Kerb: Three months £335. Afternoon: Three months £334, 35. Kerb: Three months £334, 33.5. Turnover: 16,275 tonnes. U.S. Spot: 23-27 cents per pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	660.5-1	+9.25	658.5-9	+7.75
3 months	668.25-75	+7.38	654.5-5	+4.25
Settlem't	661	+8	—	—

Zinc—HIGH GRADE OFFICIAL/UNOFFICIAL PRICES: Cash am £705-710, pm £712-719. Three months am £700-705, pm £702-706; settlement £710. Morning: Cash £661, 60.5, 61, three months £655, 56, 57, 58, 59. Kerb: Three months £658, 59. Afternoon: Cash £659, three months £658, 57, 56, 54.5, 54, 54.5. Kerb: Three months £655, 54, 53.5, 53, 54. Turnover: 14,750 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	942-3	−15.2	939-40	−1.5
3 months	964-5	+15.2	981-2	−2.5

Aluminium—Morning: Three months £975, 76, 75, 74, 73.5, 72, 70, 69, 83, 66, 67, 68, 65, 65, 64. Kerb: Three months £966, 65, 64, 63, 64, 65, 66. Afternoon: Three months £967, 66, 64.5, 65, 64.5, 64, 63, 62. Kerb: Three months £964, 63, 64.5, 65, 66. Turnover: 22,900 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	4070-5	−7.5	4100-5	+55
3 months	4075-80	−2.5	4103-5	+38.5

Nickel—Morning: Three months £4075. Kerb: Cash £4075, 80, three months £4080, 85, 90. Afternoon: Three months £4090, 95, 4100, 4099, 4100, 02, 05. Kerb: Three months £4105, 10, 20, 10. Turnover: 2,032 tonnes.

SILVER

Silver was fixed 8.6p an ounce lower for spot delivery in the London bullion market yesterday at 579.35p. U.S. cent equivalents of the fixing levels were: spot 698.7c, down 8.9c; three-month 713.9c, down 8.9c; six-month 731.7c, down 9.1c; and 12-month 768.3c, down 10.5c. The metal opened at 583-585p (703-705c) and closed at 577-580p (695-628c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	579.35p	−8.70	578.0p	−6.5
3 months	592.35p	−8.80	591.25p	−7.75
6 months	606.45p	−9.00	—	......
12 months	634.15p	−10.5	—	......

LME—(2,000 oz contract): cash 578p (584.5p); three months 591.5p (598.25p). Turnover: 0 (0).

Morning: large 1st ring three months 596, 2nd ring three months 595.5, 95, 94.8. Kerb: large three months 595. Afternoon: large 1st ring three months 591.5, 2nd ring three months 592. Kerb: untraded.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec.	1857-1900	−23.0	1904-1865
March	1855-1856	−17.0	1855-1843
May	1855-1856	−16.0	1856-1834
July	1853-1855	−17.0	1855-1842
Sept.	1854-1855	−14.5	1855-1847
Dec.	1804-1806	−8.5	1805-1806
Mar.	1803-1809	−11.0	1805

Sales: 7,714 (5,320) lots of 10 tonnes. ICCO indicator prices (U.S. cents per pound). Daily price for December 7: [illegible]. Indicator average for December 10: [illegible].

COFFEE

COFFEE	Yesterd'ys Close	+ or —	Business Done
January	2278-80	−8.5	2288-65
March	2286-87	−11.0	2340-26
May	2197-00	−10.5	2210-00
July	2185-00	−11.0	2210-00
Sept.	2191-83	−10.5	2200-93
Nov.	2185-00	−15.0	2200
Jan	2185-00	−7.5	—

Sales: 2,112 (1,846) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for December 6: Comp. daily 1979 134.98 (135.25); 15-day average 136.53 (136.92).

GRAINS

Business done—Wheat: Jan 110.10-10.00, March 113.55-13.65, May 116.90-16.85, July 119.20 only, Sept 98.40, Nov 102.00-01.95. Sales: 235 lots of 100 tonnes. Barley: Jan 110.25-10.15, March 113.35-13.20, May 116.00 only, Sept 97.75 only, Nov untraded. Sales: 155 lots of 100 tonnes.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd's close	+ or —
Jan.	110.05	−0.10	110.85	—
Mar.	113.55	−0.10	113.35	+0.05
May	116.85	−0.10	116.10	—
July	118.20	—	—	—
Sept.	98.40	−0.20	97.85	+0.05
Nov.	101.90	−0.20	101.05	+0.15

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 15 per cent, Dec 20/Jan 10 161.80, Jan 163.05, Feb 166, March 168.45, transhipment East Coast. U.S. No. 2 Soft Red Winter Jan/Feb/March 148.75. English Feed fob Dec 110.50, Jan 112.50, Jan/March 114.25, April/June 119.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 107.40, E. Mids 107.30, N. East 109.80, Scotland 108.50. The UK Monetary Coefficient for the week beginning Monday, December 17, is expected to remain unchanged.

PIGMEAT

Month	Yesterdays' close	Previous close	Business done
	p. per kilo (deadweight)		
Feb.	114.30	114.80	114.80-14.20
April	113.20	113.50	113.50-13.20
June	110.30	110.30	110.50-10.30
Aug.	107.90	108.30	108.00
Oct.	113.00	113.30	113.10
Nov.	113.90	114.00	114.00

Sales: 90 (59) lots of 50 carcases, 32.50 kg.

POTATOES

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb.	55.80	56.60	55.60-55.00
April	64.20	65.00	65.50-65.70
May	67.10	67.70	67.60-66.50
Nov.	56.00	55.50	—
Feb.	76.00	—	—

Sales: 079 (302) lots of 40 tonnes.

INDICES

FINANCIAL TIMES

Dec. 6	Dec. 5	M'th ago	Year ago
289.61	288.26	285.87	292.00

(Base: July 1 1952 = 100)

REUTERS

Dec. 7	Dec. 6	M'th ago	Year ago
1903.8	1883.8	1879.9	1948.2

(Base: September 18 1931 = 100)

MOODY'S

Dec. 5	Dec. 5	M'th ago	Year ago
984.9	988.2	987.0	1034.8

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Dec. 6	Dec. 5	Month ago	Year ago
Spot	188.3	184.87	186.84	137.74
Fut	128.44	196.36	188.88	144.8

(Base: December 31 1974 = 100)

RUBBER

PHYSICALS—The London market opened unchanged, drifted throughout the day and closed easier, reports Lewis and Peat. Closing prices (buyers): Spot 61.00p (same); Jan 71.50p (72.00p); Feb 72.00p (72.50p). The Kuala Lumpur Dec fob price for RSS No. 1 was 168.0 (191.5) and for SMR 20 was 184.5 (186.0).

SOYABEAN MEAL

	Yesterday close	+ or —	Business Done
	£ per tonne		
Dec.	—	—	—
Feb.	142.8-143.2	+0.25	143.5-140.0
April	143.3-145.5	+0.15	145.7-143.5
June	144.0-144.5	+0.10	144.7-144.5
August	146.2-146.8	−0.55	147.0
October	147.8-149.8	−0.35	—
Dec.	149.5-150.8	−0.25	—

Sales: 131 (143) lots of 20 tonnes, 0 (0) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $112.50 (£93.50), down 50c (down 50p) a tonne for Dec/Jan delivery. White sugar $150.5, down $2.00.

Sales: 2,510 (2,206) lots of 50 tonnes. Tate and Lyle delivery price for granulated basis sugar was £197.00 (£198.00) a tonne for export.

No.6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Mar.	141.0-141.2	140.2-140.4	141.6-139.8
May	148.0-148.4	147.4-147.8	148.-147.8
Aug.	160.2-156.8	158.8-159.8	160.8-157.8
Oct.	168.2-168.4	168.4-166.8	168.0-166.4
Dec.	172.8-173.8	171.4-172.8	172.0-171.8
Mar.	187.4-188.4	187.0-187.8	187.0-188.2
May	195.4-195.4	195.0-194.4	183.2

AMERICAN MARKETS

Gold on deliver came under renew selling pressure on long liquidation prompted by a weak tone in currency and financial markets, reports Heinold Commodities. Copper registered losses on the trend of higher interest rates which prompted disappointed long liquidation by commission houses. Sugar was steady on the lack of fresh selling by commission houses. Cocoa registered slight gains on continued concerns over nearby availability. Reports of better nearby availability pressured coffee values. Cotton was lower on a disappointing pace to export sales.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	51.50	51.40	51.15	51.90
Jan	51.80	—	—	52.15
March	52.70	52.80	52.30	53.05
May	53.55	53.40	53.40	53.85
July	54.45	—	—	54.85
Sept	55.35	—	—	55.75
Dec	56.70	—	—	57.10
Jan	57.18	—	—	57.55
March	58.05	—	—	58.45

COCOA 10 tonnes, $/tonne

	Latest	High	Low	Prev
Dec	2235	2235	2191	2198
March	2118	2129	2102	2115
May	2121	2125	2106	2118
July	2120	2128	2110	2120
Sept	2125	2125	2114	2128
Dec	2080	2090	2075	2075
March	2085	2095	2095	2088

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	141.00	41.25	40.50	41.60
March	138.54	39.60	37.80	38.80
May	136.80	36.80	35.90	36.73
July	135.25	35.30	34.75	35.23
Sept	133.75	33.75	33.38	33.95
Dec	132.12	32.50	32.05	32.55
March	131.48	31.50	31.60	32.00
May	131.08	—	—	31.01

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	57.70	58.40	57.50	58.45
Jan	57.90	—	—	58.70
Feb	58.30	—	—	59.15
March	58.75	59.40	58.50	59.60
May	59.55	60.05	59.30	60.40
July	60.35	60.95	60.25	61.20
Sept	61.15	61.75	61.00	62.00
Dec	62.40	63.05	62.10	63.30
Jan	62.80	—	—	63.75
March	63.60	—	—	64.60

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
March	65.80	66.15	65.08	69.15
May	66.80	67.05	66.65	67.07
July	67.92	69.10	67.86	68.10
Oct	68.16	68.22	68.16	68.20
Dec	—	—	—	65.83
March	69.30	—	—	68.35
May	70.00	—	—	69.96

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Jan	27.50	27.62	27.49	27.68
Feb	27.37	27.52	27.38	27.57
March	27.19	27.39	27.18	27.45
April	27.02	27.22	27.02	27.31
May	27.00	27.10	27.04	27.24
June	27.00	26.90	26.90	27.19
July	26.90	—	—	27.18
Aug	26.90	—	—	27.10
Sept	26.90	—	—	27.10
Oct	26.90	—	—	27.10

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	326.8	329.5	324.0	330.5
Jan	328.8	—	—	332.2
Feb	330.8	333.5	328.0	334.7
April	335.5	338.3	333.0	339.5
June	340.9	344.0	339.0	344.8
Aug	346.2	348.2	345.5	350.2
Oct	351.8	—	—	355.9
Dec	357.8	358.0	356.5	361.9
Feb	364.1	—	—	368.3
April	370.6	—	—	374.7
June	377.4	378.0	378.0	381.0
Aug	384.4	386.1	386.1	388.7
Oct	391.0	—	—	395.9

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Jan	77.70	78.25	77.65	78.45
Feb	77.75	78.25	77.70	78.45
March	74.90	75.15	74.95	75.40
April	72.40	72.50	72.20	72.12
May	71.50	71.60	71.50	71.10
June	71.00	71.00	71.00	71.50
July	—	—	—	71.63
Aug	—	—	—	70.75
Sept	—	—	—	70.85

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
Jan	164.10	65.00	63.85	65.75
March	165.60	65.80	65.50	67.30
May	165.50	66.40	65.45	67.00
Sept	164.25	64.50	64.50	65.50
Nov	163.70	63.90	63.90	65.00
Jan	163.00	—	—	64.00
March	163.00	62.75	62.75	64.00

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	310.2	314.0	310.0	316.3
Jan	312.8	316.0	310.0	319.8
Feb	320.0	—	—	—
April	319.9	325.0	319.0	326.1
July	327.4	332.5	327.0	333.8
Oct	335.3	339.1	335.0	341.7
Jan	343.3	—	—	349.7

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	688.8	700.0	686.0	704.6
Jan	692.3	704.0	694.0	708.3
Feb	697.0	—	—	713.8
March	703.0	714.0	701.0	719.0
May	714.1	726.0	712.0	730.3
July	725.8	739.0	724.0	742.1
Sept	738.4	747.5	738.0	754.9
Dec	758.4	770.0	757.5	775.0
Jan	765.1	770.0	765.0	781.7
March	778.6	790.0	783.0	795.4

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Jan	4.47	4.56	4.46	4.52
March	5.12	5.15	5.10	5.10
May	5.43	5.49	5.42	5.43
July	5.74	5.78	5.74	5.75
Sept	6.01	6.03	6.01	6.02
Oct	6.20	6.25	6.20	6.24
Jan	6.65	6.74	6.74	6.68
March	7.19	7.22	7.18	7.23
May	7.48	—	—	7.51

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	67.65	67.80	67.15	67.07
Feb	65.27	65.50	65.10	65.20
April	67.22	67.50	67.12	67.27
June	67.07	67.27	66.97	67.02
August	65.35	65.55	65.20	65.20
Oct	63.32	63.60	63.25	63.30
Dec	64.70	64.85	64.50	64.55

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	52.65	53.00	52.25	53.07
Feb	52.40	53.10	52.20	53.17
April	48.15	48.75	48.02	48.72
June	51.92	52.18	51.50	52.02
July	52.40	52.55	52.12	52.47
August	49.57	49.80	49.45	49.67
Oct	46.85	47.50	46.85	47.40
Dec	48.20	48.20	48.00	48.45
Feb	48.70	48.70	48.70	48.70

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	257.2	262.0	256.6	262.2
March	271.4	275.2	271.2	275.6
May	278.2	281.2	278.0	282.4
July	282.0	285.2	282.0	286.4
Sept	278.6	281.6	278.4	283.2
Dec	274.8	278.4	274.4	279.2
March	285.2	289.0	285.2	290.0

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	72.37	74.10	72.30	74.22
March	71.95	73.50	71.85	73.65
May	73.00	74.70	73.00	74.50
July	73.87	74.50	73.25	75.05
August	71.10	71.70	70.80	72.50
Feb	68.70	69.50	66.50	70.50

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Jan	594.2	602.4	593.4	605.0
March	608.2	610.0	607.0	618.6
May	621.2	628.4	620.0	631.2
July	630.4	639.0	630.0	641.2
August	631.4	639.4	631.4	642.0
Sept	621.4	626.0	621.4	630.6
Nov	620.2	628.4	620.0	629.8
Jan	633.4	640.0	633.4	643.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	147.5	149.2	147.3	149.6
Jan	149.8	151.3	149.5	151.8
March	155.0	157.0	155.2	157.5
May	160.6	161.7	160.2	162.2
July	165.5	168.5	165.2	167.1
August	165.5	168.0	166.5	168.0
Sept	168.0	169.5	167.0	169.0
Oct	168.5	170.0	168.5	169.5
Dec	171.0	172.5	171.0	172.2

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	27.12	27.35	26.72	27.06
Jan	25.82	25.90	25.51	25.91
March	24.73	24.90	24.45	25.03
May	24.32	24.60	24.13	24.68
July	24.08	24.45	23.85	24.55
August	23.70	24.06	23.70	24.15
Sept	23.58	24.10	23.55	23.98
Oct	23.55	23.55	23.55	23.96
Dec	23.50	24.05	23.50	23.96

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Dec	347.9	353.0	347.4	354.4
March	347.0	351.0	346.0	353.0
May	341.6	345.0	341.4	347.0
July	333.6	337.0	333.0	337.6
Sept	339.0	339.8	338.8	342.0
Dec	349.8	340.8	349.0	353.0

LONDON STOCK EXCHANGE

MARKET REPORT

Equities revive strongly from post-Telecom malaise FT Ordinary share index closes 14.6 up at 923.0

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov 26	Dec 6	Dec 7	Dec 17
Dec 10	Dec 20	Dec 21	Jan 7
Dec 24	Jan 10	Jan 11	Jan 21

* "Now-time" dealings may take place from 9.30 am two business days earlier.

Institutional investors decided to concentrate less on British Telcom and take a broader view of the London equity market situation yesterday. The likelihood of taxation cuts in the Budget, through a rise in income tax thresholds, and hints of cheaper mortgages next year encouraged several fund managers to re-think market prospects. Most thought that consumer-orientated stocks would be the main beneficiaries and channelled their funds towards Stores and related issues.

Belated recognition of recent good profits statements also aroused selective demand for other leading shares which, on the last day of the current trading Account, found values responsive. The upshot was that the FT Ordinary share index made persistent upward progress to close 14.6 up at the day's best of 923.0. BT, this week's highly successful and spectacular newcomer, was far from neglected, but interest did tend to falter midway through the session before warming again later.

After the 3.30 pm close, when equity business is permitted without penalty for the new Account, BT improved further to settle 4½ higher at 92½. This represents a premium of 42½p on the 50p partly-paid issue price; since dealings began late on Monday, the premium has varied between 47 and 38. Relief that Wall Street was at last starting to resist recent dullness spurred London late, generating fresh U.S. enthusiasm for current favourites.

The committal of returning BT cash to Industrial issues left Government securities firmly on the sidelines. Neither sterling's stability in the face of a strong dollar nor more favourable U.S. money supply trends made any great impression on a market apprehensive of fresh Government funding. In the event, the authorities refrained from issuing stock but the news had little effect on after-hours' sentiment.

Earlier in the afternoon, disappointment with the opening tone in U.S. bonds had aroused loose selling. Discount House sales found the market in short-dated stocks particularly sensitive and soon afterwards Gilts of a longer maturity gave ground. The latter shed ½ or so before rallying slightly late in the session. Only one or two low-coupon specialist shorts resisted the dullness.

Hanson Trust up again

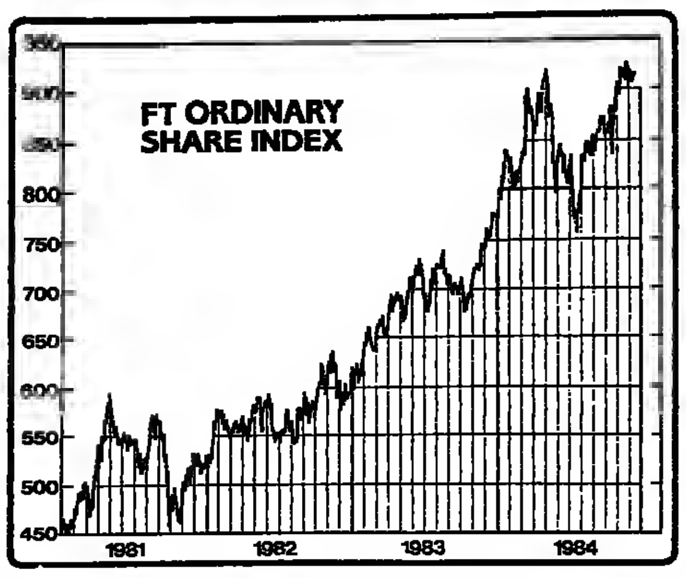
Royal Insurances were marked sharply lower initially to 510p on fears that the group would be liable to substantial compensation payments arising from the Bhopal pesticide gas disaster. However, a statement from the company revealing that its maximum exposure to the Indian catastrophe would be $5.4m induced a recovery which left the shares a couple of pence harder on balance at 525p. Other Composites, additionally troubled by adverse comment, also rallied late to finish firmer for choice. General Accident put on 5 to 515p, after 507, while GRE closed unaltered at 675p, after 670p. Life issues attracted renewed demand on revived takeover hopes. Sun Life led the way with a gain of 20 to 717p, while Equity and Law rose 13 to 245p and Refuge 15 to 535p. Elsewhere, Reed Stenhouse cheapened ½ but still recorded a gain of 1½ points on the week at £10½ following news of the agreed merger with Alexander and Alexander Services of the U.S.

Lloyds eased 492p, still on rights-issue worries, before rallying to finish 2 higher on balance at 497p. Midland, again subject of BP rumours, made further progress and closed 5 up for a gain of 21 on the week at 363p. Barclays gained 7 to 525p and NatWest 5 to 568p.

Bass reflected the favourable reception afforded the annual results and advanced 17 more to a 1984 peak of 452p. Other leading Breweries naturally attracted improved demand which lifted Whitbread, 193p, and Allied-Lyons, 159p, 5 and 3 respectively. Arthur Guinness hardened a couple of pence to 177p following publicity given to a broker's circular. Elsewhere, fresh support was forthcoming for Distillers which improved 9 to 306p; the first-half figures are due to be announced on December 20.

Leading Buildings finished the Account on a brighter note. Buyers began to show more interest and Blue Circle, a dull market recently on fears that expected New Year cement price increases could be postponed, rallied 13 to 468p. BPB Industries picked up 4 to 272p and Redland hardened 3 to 274p, while Tarmac attracted late support and closed 6 dearer at 514p. Elsewhere, second-thoughts about the half-year figures helped John Finlan improve 7 to 90p. Further demand in a restricted market ahead of Friday's interim statement lifted Phoenix Timber 10 to 134p and UBM put on 5 to 156p on revived speculative demand.

A steadier Wall Street performance helped ICI regain composure and the close was a couple of pence better at 666p, after 668p. Other Chemicals presented a generally firm appearance. Coalite added 4 to 200p following revised considerations of the first-half figures, while Yorkshire Chemicals firmed 3 to 64p. James Halstead softened to 70p despite the chairman's confident statement at the annual meeting.



GUS feature afresh

The prospect of a reduction in income tax thresholds stimulated support for leading Stores and prices made further progress after-hours as investors opened fresh positions for the "new" Account. GUS A led the way with a leap of 23 to 656p on further consideration of the excellent interim results. Debenhams attracted fresh speculative demand and rose 7 to 210p, while similar gains were noted in Burton, 378p, and Habitat Mothercare, 376p. Dixons met renewed institutional support in the wake of the successful offer for Currys and advanced 29 to 451p; Currys rose 24 to 549p to match the bid terms. Elsewhere, Body Shop International were lively and touched 360p before settling a net 15 off at 370p; the shares have fallen 50 over the five-day period following an adverse Press mention. Sumrie Clothes were also active and moved between 78p and 88p before settling 5 up on balance at 85p.

Neglected of late, BICC attracted a useful demand and closed 13 higher at 253p. Other Electricals leaders were narrowly mixed. Plessey hardened a couple of pence to 210p, while GEC eased that much to 228p to stand just a fraction below the price brokers de Zoete and Bevan have this week paid in acquiring around 35m shares on the company's behalf. Elsewhere, Checkpoint Europe jumped 38 to 223p on news of the bid approach, while Thermal Scientific put on 15 to 235p in response to the interim results. Acorn Computers, at 74p, retrieved 13 of Thursday's decline of 14 which followed the shock announcement of the company's withdrawal from the U.S. microcomputer market.

Vickers featured Engineerings, rising 8 to 203p. Butterfield Harvey improved a few pence to 15p ahead of Thursday's interim results, while Glynwed firmed 3 more for a two-day rise of 15 to 158p following the sale of a South African subsidiary. C. H. Bailey rallied 1½ to 23p and Tace added 10 at 330p.

Prime bid candidate Rowntree Mackintosh regained the limelight in Foods; the shares, 6 higher during the official trade, moved ahead strongly after-hours to close 14 up on the day at 374p. A broker's recommendation in the wake of its Canadian subsidiary's results helped Tate and Lyle firm 5 to 440p, while buying ahead of Thursday's half-year figures left Unigate 3 dearer at 157p. Among Retailers, Argyll continued to reflect the good interim results and rose 7 for a gain on the week of 23 at 248p. Cullen Stores Ordinary slipped 5 to 465p, but the A rose 20 to 365p following the revised £8.64m recommended offer from Watling (105) which has already received irrevocable undertakings from St Paul's Stores, the consortium that withdrew from the auction for the company earlier in the week. Elsewhere, Alpine Soft Drinks added 2 to 23p on the return to profitability.

Hanson dip and rally

Miscellaneous Industrials ended the Account strongly with U.S. favourites leading the way. Hanson Trust jumped 12 more for a two-day advance of 23 to 290p following comment on the excellent results and proposed 50 per cent scrip issue. Beecham rose 15 to 385p as did BTR, to 550p, while Glaxo improved ½ to £10½. Pilkington gained 10 to 315p on demand ahead of Wednesday's preliminary figures. Trafalgar House firmed 6 to 315p in response to Press comment. Elsewhere, Longton reflected bumper interim profits with a rise of 7 to 76p, while Marley gained 6 to 96p on revived takeover hopes. Awaiting trading news, BET advanced 11 to 306p, while Johnson Matthey rallied 3 to 71p on further consideration of the refinancing package approved by shareholders at Thursday's EGM. Polly Peck improved 7 to 222p, after 227p, and Low and Bonar rose 8 to 238p.

The Leisure sector featured Trident TV A which attracted revived speculative demand on talk of a bid from either Pleasurama or Stakis and the close was a net 10 up at 170p. Management Agency and Music rose 7 to 140p in response to better-than-expected annual results, but Adam Leisure shed 2 to 12p following poor preliminary figures.

Oxford-based Motor dealers Hartwells dominated proceedings among Distributors up to 94p in the early business on persistent speculative demand, the shares finally settled a net 7 up at 89p despite a statement from the board attempting to diffuse the situation. Components highlighted AE which spurted 7 to 109p the preliminary results are due next Thursday. In contrast, vehicle suspension specialists Jonas Woodhead eased a couple of pence to 33p following the lapse into losses at the interim stage and the gloomy tenor of the accompanying statement. Elsewhere, Reliant firmed 3 to 37p after the full-year figures as dealers expressed enthusiasm for the proposed buy-in of the company's own Preference shares.

The Property sector remained a relative backwater and leading quotations closed virtually unchanged. Elsewhere, Stock Conversion, which recently completed the acquisition of the White City Stadium for £1.7m, drew fresh support and rose 5 to a 1984 peak of 415p. USM-quoted City Site Estates moved up 4 to 72p awaiting Monday's annual results.

Textiles again lacked a decided trend. Courtaulds, a dull market of late, rallied a few pence to 116p, but Shaw Carpets dipped 3 to 40p following sharply reduced interim profits.

Tobaccos featured Imperial Group which advanced 9 to 177p following bullish notices from a couple of leading brokers; sentiment was also buoyed by strong rumours that Hanson Trust had placed around 20m shares in Imps, around 2.68 per cent, with various institutions.

Oils quiet

A basically neutral week in the leading oils came to a close on an inauspicious note. Continental support continued to boost Shell which rose 6 more to 658p.

Secondary issues provided a firm feature in Sovereign Oil which rallied strongly to close 17 firmer at 212p while Invent Energy continued to draw strength from the latest oil discovery in the Paris Basin and edged up 5 more to a year's high of 545p.

Irish stocks showed this week's favourite Osceola Hydrocarbons 5 better at 120p; the shares have risen 55 over the five-day period both in front of and following news that the company has acquired a 10 per cent interest in a consortium formed to participate in the ninth round of UK North Sea oil licences.

A neglected sector of late, plantations displayed several noteworthy gains following bumper first-half results from Harrisons Malaysian Plantations, 17 dearer at 127p. Harrisons and Crosfield improved 15 to 410p in sympathy, while gains of around 6 were common to Rowe Evans, 69p, Bertram, 135p, and Consolidated Plantations, 108p.

Charter rally

A strong showing by UK equities coupled with bear closing gave a much-needed boost to Charter Consolidated which rallied 6 to 173p, although the shares remained 20 lower on the week following the losses and plant closures announced by the 67.3 per cent-owned Cape Industries. Charter's interim results are scheduled for next Wednesday.

South African Gold shares, on the other hand, closed a generally subdued week and account on a quiet note. Bullion moved narrowly for much of the day but eased late to close a net $3 lower at $327.5 an ounce, a week's fall of $1.75.

Gold shares lacked a decided trend throughout the five-day period despite the surprise news, announced on Wednesday, that the Anglo American Corporation is proposing to merge its seven gold mines located in the Orange Free State to create the world's largest gold mining complex.

The Gold Mines index showed a 0.2 gain at 547.5.

Australians remained an undecided market and sustained hefty losses over the week following the Federal election result which left the Labor Party with a much-reduced majority. The leaders were rarely more than a couple of pence changed in either direction but speculative issues continued to attract substantial interest. News that Great Victoria Gold is proposing to buy a 40 per cent stake in CGMA and 15 per cent stakes in Enterprise Gold and Jingellic was first announced after-hours in Australia and dealings in all four companies were suspended at the outset in London.

Traded Options finished an exciting and record-breaking week on a bright note with 9,661 contracts struck. British Telecom was understandably again to the fore, recording 1,420 calls and 2,512 puts. Business elsewhere centred on Hanson Trust and Imperial Group which attracted 1,183 and 1,170 trades respectively. Operators also displayed enthusiasm for the FT-SE 100 index which accounted for 913 calls and 487 puts. Total contracts struck during the week amounted to 68,534—an increase of over 30,000 on the previous record set last October.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 3	Dec 14	Mar 7	Mar 18
Dec 17	Jan 4	Mar 21	Apr 1
Jan. 7	Jan 18	Apr 11	Apr 22

For rate indications see end of Share Information Service

Jan 7 Jan 18 Apr 11 Apr 22

Stocks favoured for the call included British Telecom, Oliver Prospecting, Bristol Oil and Minerals, Churchill Energy, Ladies Pride, Riley Leisure, Acorn Computers, First National Finance, Falcon Resources, Eglinton Oil and Gas, Cluff Oil B, North Kalgurli and Gestetner A. Puts were arranged in Johnson Matthey, Combined English Stores, Etam, Stead and Simpson A and Oliver Prospecting. Doubles were taken out in Cluff Oil and Birmid Qualcast.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Fri Dec 7 1984 — Highs and Lows Index

FIXED INTEREST

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (65)

BRITISH FUNDS (1)
Treas 3pc 1985

FOREIGN BONDS (1)
Ireland 9¼pc 91-96

BREWERS (2)
Bass — Highland Distlrs

MOTORS (2)
AE — Hartwells

NEWSPAPERS (2)
Bristol Evng Post — Motor Bulletin

PAPER (5)
Boase Massimi Pollitt — Peters (Michael)
KLP Go — Valin Pollen Intnl
Price (Michael)

PROPERTY (4)

NEW LOWS (16)

ELECTRICALS (2)
CPU Computers — Xyllyx

INDUSTRIALS (6)
Aaronite — Bruntons (Muss)
Assc British Eng — Dom Hldgs
Assc British Ports — Ramco Oil

LEISURE (1)
Pineapple Dance Studios

MOTORS (2)
Solex A — Bramall (C. D.)

TRUSTS (1)
Centreway Trust

OILS (3)
Bristol Oil Mnin — Orbit
Intnl Petroleum

RISES AND FALLS

	Rises	Falls	Same	Rises	Falls	Same
British Funds	3	91	7	200	169	151
Corpns. Dom. and Foreign Bonds	8	6	59	89	28	247
Industrials	323	197	898	1,279	1,521	4,291
Financial and Props.	94	90	357	415	609	1,681
Oils	24	23	78	99	144	382
Plantations	10	2	5	26	7	52
Mines	40	28	109	185	242	458
Others	70	44	79	261	308	408
Totals	575	481	1,592	2,554	3,028	7,671

FINANCIAL TIMES STOCK INDICES

	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 3	Nov. 30	Year ago
Government Secs.	83.87	83.84	83.66	83.89	83.19	83.00	82.77
Fixed Interest	86.33	86.38	86.41	86.37	86.11	86.11	86.26
Ordinary	923.0	908.4	914.0	917.6	924.9	917.3	757.1
Gold Mines	547.5	547.5	555.6	556.7	550.8	544.3	567.0
Ord. Div. Yield	4.60	4.69	4.08	4.64	4.60	4.65	4.63
Earnings, Yld.% (full)	11.90	12.01	11.93	11.88	11.18	11.86	9.48
P/E Ratio (net) (*)	10.09	0.99	10.06	10.10	10.69	10.65	10.89
Total bargains (Est.)	22,896	94,026	94,599	95,884	—	20,043	92,260
Equity turnover £m.	—	569.12	485.28	611.60	629.57	276.02	334.24
Equity bargains	—	37,875	29,384	34,975	27,523	16,165	23,414
Shares traded (mil.)	—	331.5	342.4	478.5	448.5	145.7	187.9

10 am 913.1. 11 am 916.2. Noon 916.8. 1 pm 916.2.
2 pm 910.6. 3 pm 918.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=9.76.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	75.79 (30/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	929.2 (28/11)	755.3 (23/7)	929.2 (28/11/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/3)	486.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 6	Dec. 5
Daily		
Gilt Edged Bargains	129.8	150.0
Equities Bargains	179.3	190.4
Value	1159.2	982.9
5-day Average		
Gilt Edged Bargains	142.8	145.4
Equities Bargains	174.6	160.5
Value	995.7	897.5

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983 based on Thursday, December 6, 1984

Tobaccos	+ 56.17	Capital Goods	+ 16.13
Insurance Brokers	+ 45.44	Oils	+ 15.67
Health and H'sehold Products	+ 37.38	Investment Trusts	+ 13.45
Other Groups	+ 32.46	Shipping and Transport	+ 13.18
Food Retailing	+ 31.81	Financial Group	+ 12.16
Office Equipment	+ 31.44	Textiles	+ 10.99
Newspapers, Publishing	+ 27.52	Building Materials	+ 10.42
Other Industrial Materials	+ 26.69	Other Consumer	+ 10.03
Consumer Group	+ 25.65	Motors	+ 8.90
Discount Houses	+ 25.15	Banks	+ 0.62
Food Manufacturing	+ 24.62	Insurance (Life)	+ 7.16
Industrial Group	+ 24.36	Leisure	+ 6.13
Mechanical Engineering	+ 23.88	Chemicals	+ 6.03
Packaging and Paper	+ 22.74	Contracting, Construction	+ 4.08
Brewers and Distillers	+ 20.68	Gold Mines Index	− 0.24
All-Share Index	+ 19.89	Mining Finance	− 2.50
Electronics	+ 19.85	Electricals	− 4.29
Stores	+ 19.58	Metals and Metal Forming	− 12.91
Overseas Traders	+ 17.74	Merchant Banks	− 13.76
Property	+ 17.73		

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Acorn Computer	74	+13	Kean and Scott	55	—
BET Deld	306	+11	Plessey	210	+ 2
British Telecom	92½	+ 4½	Refuge Assurance	535	+15
GUS A	656	+23	Royal Insurance	526	+ 2
Hanson Trust	290	+12	Sun Alliance	425	+ 2
Hartwells	89	+ 7	UBM	156	+ 5

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Hanson Trust	29	278	+11	Charter Cons	14	167	−13
British Telecom	22	89	− 1	Gestetner A	14	72	+ 6
BOC	20	252	− 3	Shell Transport	14	652	—
Bass	19	435	+ 5	GEC	13	230	—
Falcon Res	19	163	+11	Thorn EMI	13	487	−13
Burmah Oil	16	212	+ 6	ICI	12	662	−12
GUS A	15	633	+ 8	RTZ	12	597	−11

5-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
British Telecom	174	88	+38†	BP	75	500	− 1
Cable & Wirels	92	423	− 2	Midland Bank	75	358	+ 6
GEC	92	230	+ 4	Beecham	73	370	−13
Hanson Trust	81	278	− 2	BTR	66	535	−11
Shell Transport	81	652	+ 5	NatWest Bank	65	563	−12
Martin (R. P.)	77	380	+70	Boots	64	185	− 6
BAT Inds	75	310	+ 2	ICI	64	662	−18

†Based on 50p paid issue price

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

STERLING ISSUES BY FOREIGN GOVTS & INTERNL INSTITUTIONS

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT

FOREIGN STOCKS (coupons payable in London)

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

Bulmer Lumb (Hldgs) 5pcPf (£1) 35 (5/12)
Burgess Prods (Hldgs) A N-stg 72 4 5 6
Burroughs Machines 8pcDb 1987-92 £81 (30/11)
Burton Grp Wrnts $18 5 (6/12). 6pcLn 1998 2003 £71 (4/12). 9¼pcLn 1998-2003 £82½ 3
Butlin's 6½pc1stDb 1982-87 £67 (5/12)

C—D

Cadbury Schweppes 3½pc1stPf (£1) 43 6. 6¼pc1stDb 1994-2004 £75¼. 2pc 1stDb 1988-93 £67½ ¼

E—F

G—H

Hawker Siddeley Gp 5½pcPf (£1) 48½ (4/12). 7¼pcDb 1987-92 £79
Hawley Go 12.5pcPf (£1) 126
Heinz (H. J.) 5½pcDb 1976-85 £97¼ (5/12)
Hepworth Ceramic Hldgs 7¼pcDb 1988-93 £70 (3/12). 10.4pcDb 1992-97 £95½ (3/12)
Hestair Consumer Prods 6pcLn 1985-95 £54
Hewitt (J.) (Fenton) 10pcPf (£1) 85 8 (5/12)
Hickson Intl 2½pcLn 1989-94 £79
High Gosforth Park (£1) 870 (4/12)
Hoechst Ag (DM50) £49½ (30/11)

I—J—K

L—M

N—O—P

Q—R—S

Reckitt Colman 5pcPf (£1) 42. 8¼pcDb 1985-90 £80½ (5/12)
Redfearn Natl Glass 7pcPf (£1) 40: (30/11)
Redland 5pcPf (£1) 56½ (4/12). 7½pc Db 1990-95 £78¼ (3/12)
Reed (Austin) Grp 154⊕
Reed Intntl 4½pcPf (£1) 37 (4/12). 5½pc Pf (£1) 48½ 7 (5/12). 7pcDb 1987-93 £82. 7¼pcDb 1990-95 £78¼. 5½pcLn £43 (5/12). 7pcLn 1987-92 £78½ (3/12). 7½pcLn 1996-2001 £72¼. 10pc Ln 2004-09 £80 99½
Reed Publishing Hldgs 3½pcDb 1983-88 £79 (30/11). 6½pcDb 1983-88 £85½

T—U—V

W—Y—Z

INSURANCE

Commercial Union Ass 5pcPf 1988/2099 (£1) 43½ (4/12)
General Acc Fire 5½pcPf (£1) 48 (4/12). 7½pcLn 1987-92 £81 ¼. 7¼pcLn 1992-97 £74¼
Guardian Royal Ex 7pcLn 1988-91 £79¼ ½ ¾
Sun Alliance 8½pcLn 1980-85 £94½

INVESTMENT TRUSTS

Alliance Tst 4pcPf 534½ (5/12). 4¼pcPf ...

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

FINANCIAL TRUSTS

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

Kiara-Teanik (5p) 112 5. New (5p) (Fp/AL-7/12/84) 115
Media Technology Intnl (20p) 175 6 7 8
Monument Oil & Gas (5p) (Fp/AL-11/1/85) 26 7
Paul Michael Leisurewear (5p) 27
Petrolex (5p) 58
Plasmec New (10p) (Fp/LA-14/12/84) 75 7 (4/12)
Share Drug Stores (10p) 180 (3/12). New (10p) (Fp/AL-10/12/84) 189 90 1
Spectra Automotive & Eng Prods (10p) 49
Systemals (10p) 34
Thorpar Gp (5p) 75½
UDO Hldgs (10p) 124 (4/12)
Utd Friendly Insurance B (10p) 290: 12 (3/12)

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Airship Inds 5 6 ½ (6/12)
All England Lawn Tennis Gnd £50Dbs 1981-85 £1,850 800 (3/12)
Amal Metal Corp 5.4pcPf 52 3 (8/12). 6pcPf (£1) 42 3
Bell 5pcPf (£1) 31 4 (4/12)
Cannon St Invs (20p) 10½ 11 (5/12)
Carraun 11½ 5
Castletown Brew 3½pc1stDb £32 (3/12). 4½pcPf (£1) 37 (3/12)
Channel Hotels Props (16p) 72 4 (3/12)
CIC Inv (10p) ¼ ½. (10p) ¾ ½ (4/12)
Clucas Cleaners (£1) 200
Crusts (10p) 131 2 (3/12)
Dart Valley Light Rlwy (£1) 85 95 (6/12)
Dolamore (10p) 27 ½ 9 ¼ ½ (3/12)
Douglas Gas Light (£1) 2170 20 (4/12)
Evenspring Invs (1p) 2 ¼ ½ 3 (4/12)
Goff (R. J.) (Ir£0.20) 38 (4/12)
Guernsey Gas Light (£1) 200 (6/12)
...
Integrated Bus Comm (5p) 64 (4/12)
Jennings Bros 155 6 8 (6/12)
Jersey Gas (£1) 200
Kunick Leisure (10p) 3) ½
Leisure Invs (16p) 14½ 5
Le Riches Stores (£1) 420, 2 4 5 (5/12)
Lon Overseas Land (20p) 47 6 (3/12)
Pullgrange (£1) £14.75 15.00 (3/12) 10½pcLn 1989 £72⅝ 5⅝ (3/12)
Schroder Property Fund £2.040 (3/12)
Shepherd Neame A (£1) 485 90 2 4 (3/12)
Sth Quay Invs (£1) 100 16 (4/12)
Southern Newspapers (£1) 258 60
Star Offshore Services (50p) 34¼ 5 (4/12)
Teddale Invs (10p) 29½ 30 (4/12)
Weetabix A nv 110 2 (6/12)
Wessex Water 5pc 1982-87 £71⅝ 3¼% (5/12). 5½pc 1982-87 £71⅝ 3¼% (5/12)
Wolverhampton Racecourse 124 5
Zootopia (5p) 5

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

ADG Minerals 9 (4/12)
Acmex Hldgs 70
Acorn Secs 19⊕ (5/12)
Agnico-Eagle Mines 800 (4/12)
Algoma Central Railway $12¼
Alliance Oil Develop 72½
Allied Stores Corp $US56⊕ (3/12)
Amati 275 (4/12)
American Cyanamid £38⅞⊕ (30/11)
American Home Products $US50¼⊕ £41⅞ (5/12)
Ampol Exploration 178 (5/12)
Amool 122 5
Amsterdam-Rotterdam Bank £15.15
Apex Oil ($A0.25) 15 (30/11)
Apple Computer £20⁹⁄₁₆ (3/12)
Argo Invest 178
Ariadne Australia 37⊕ (3/12)
Ashton Mining 59⊕ (30/11)
Assoc Dry Goods Corp £46½ (3/12)
Atlantic Richfield £35⅛ (5/12)
...
Zone Petrol 80 (4/12)

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

(None)

(By permission of the Stock Exchange Council)

LONDON TRADED OPTIONS

Dec. 7. Total Contracts 9,661. Calls 5,186. Puts 4,475.
*Underlying security price.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 10,520

A=Ask B=Bid C=Call P=Put

APPOINTMENTS

Changes at Hoover

Mr Peter Goode, managing director of HOOVER for the past three years, has been elected vice-chairman, a new, non-executive post. He will devote most of his time to the external aspects of the Hoover business in the UK. Succeeding him as managing director is Mr Harry Hill, former vice-president and general manager of Proctor-Silex in the U.S.

★

Mr John Hodgins has been appointed chairman and chief executive of CAL FUTURES following the sale by United City Merchants of its majority interest in the company. Mr Ralph Baber has been appointed finance director. Mr Roger Wood, Mr David Rippon, and Ms Carolyn Campbell-Gray have resigned.

★

Mr David Winch has been appointed chairman of the VICTAULIC COMPANY. He was a director of Tarmac.

★

Ms Helen Lewis, account director, has been appointed to the board of the CREATIVE BUSINESS.

★

DELOITTE HASKINS AND SELLS has appointed Mr Anthony Wechsler as national audit partner. Mr "Mac" Walker has joined Deloitte as external advisor on water industry matters following his retirement from the Anglian Water Authority. He was assistant director of finance (accountancy and budgets).

★

At H. J. HEINZ COMPANY Mr David Coode becomes director of manufacturing and logistics, Mr Matt McBride director of marketing and Mr Bruce Purgavie director of trade operations.

★

Mr Robin Courtney-Guy has been appointed a director of TAYLOR WOODROW INTERNATIONAL. He joined the group in 1965 and became a divisional director in 1982.

★

Mr Jeff Mason has been appointed a director of DEAN WITTER FUTURES.

★

Mr James Prior, chairman of The General Electric Company, will be appointed to the boards BARCLAYS, Barclays Bank and Barclays International from January 1.

★

Mr John Samnel has been appointed to the board of Crompton Parkinson as finance director. Mr Steve Hirst joins the board of Crompton Parkinson Instruments as finance director; Mr Paul Whybrow also joins the board as marketing director (Far East). Both are HAWKER SIDDELEY companies.

★

Sir Peter Thompson has joined the board of GRANVILLE AND CO as a non-executive director. He is chairman of the National Freight Consortium.

★

Mr C. B. Moulton has been appointed finance director and company secretary of IMI BAILEY BIRKETT, Cleckheaton. He was financial director of Kratos.

★

INTERNATIONAL BIO-CHEMICALS has appointed Dr Terry Searle as marketing director. He was director of sales and marketing for the Huntingdon Research.

★

Mr Weston R. Christopherson has been appointed chairman and chief executive officer of NORTHERN TRUST COMPANY, the banking subsidiary of Northern Trust Corporation. Formerly chairman and chief executive officer of Jewel Companies, he will also join the board of the parent company.

★

Mr R. E. Close has been appointed a director of FLEX-TECH. He is director general of the British Institute of Management but will be retiring on March 31.

★

Mr John F. H. Trott, managing director of Kleinwort Benson Investment Management, has been appointed a director of THE ENGLISH AND NEW YORK TRUST from January 1.

★

BICC has appointed Mr Sam Wainwright as a non-executive director from January 1. He has been managing director of the [illegible] since 1977 and deputy chairman of the Post Office Corporation since 1981. He retires early in 1985.

★

Mr C. S. Gladstone has joined the board of ERSKINE HOUSE as a non-executive director. He was a director of J. Henry Schroder Wagg and Co.

★

Mr Robert Fox has been promoted to sales director of BROCKHOUSE FINSPA HANDLING, part of the Evered Group.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Inc.	113.7	120.3	.....	9.90
High Inc Equity	66.0	70.2	+0.5	6.41
Worldwide Bond	154.9	164.8	−0.1	5.89
Capital Growth				
American Growth	113.4	120.6	+0.2	1.58
Assets & Ernngs. Tt.	66.9	71.6	+0.5	3.26
Capital Reserve (z)	56.1	55.4	.....	0.74
Commodity & Engy.	75.7	81.0	+1.4	1.75
General	97.9	104.7	+0.6	2.90
Japan	164.8	176.3	−1.2	0.00
UK Growth	62.3	67.0	.....	2.30
Acc. Units	88.0	94.6	.....	2.30
U.S. Emerging Co's	47.7	50.7	.....	0.51
Equitas Prog.	145.1	155.2	+1.0	3.80

Aitken Hume
30, City Road, EC1Y 2AY. 01-628 6626

American Tech Fd.	111.4	119.2	+0.4	0.10
Exempt	399.7	427.6	.....	—
Pacific Fd	131.3	140.5	−1.3	0.20
Secured Income Fd	131.0	140.2	+1.1	5.88
Special Sits	151.7	162.3	+0.6	1.56
Energy Fd	34.9	37.3	−0.2	0.60
American Majors	51.1	54.7	+0.1	2.26
Small Co's Fd (10(r)1)	27.8	28.8	+0.2	1.97
Jap. Technology	65.1	69.7	−0.9	0.20

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex Brentwood. (0277) 211459 & 229123

Growth Gilt Trust	51.2	52.0	.....	1.34
Recovery	70.5	75.2	+0.6	3.34
Smaller Cos.	100.4	107.1	+0.2	1.73
Spec. Mkt. Sits.	67.7	72.2	+0.4	3.00
High Income Funds				
Extra Inc.	48.5	51.7	+0.2	8.51
Gilt	26.9	28.3	.....	9.43
Inc & Growth	135.1	144.1	+0.6	5.37
Nat. High Inc.	135.0	144.0	+1.7	6.41
Pref. Shares	17.7	18.9	.....	10.94
Sector Specialist Funds				
Commodity Shares	135.9	145.0	+0.7	2.71
Financial Secs.	31.6	33.7	−0.2	2.95
Gold & General	23.8	25.7	+0.2	2.82
Inc. Leisure Mk.	10.3	11.0	.....	—
Prop. Shares	37.9	40.4	−0.2	1.59
Univ. Energy	65.3	69.6	.....	0.43
World Tech	44.0	46.9	.....	—
Overseas Funds				
American Growth	76.0	81.1	−0.4	2.63
American Income	48.4	51.6	−0.1	6.30
Am. Smaller Cos.	19.8	21.1	−0.1	0.50
Am. Spec. Sits	65.0	70.2	−0.7	0.90
Australian Growth	77.1	82.2	−0.3	1.65
Far East	38.2	40.7	−0.4	0.61
Hong Kg. Performce.	20.7	22.1	.....	2.98
Intl. Growth†	25.0	26.7	−0.1	2.81
Japan Perf. Trust	38.1	40.6	−0.8	—
Japan Smllr Co's Tst.	12.0	12.8	−0.2	—

American (z)	77.6	82.6	+0.1	0.88
Amer. Eq. Inc. (z)	28.8	30.7	—	5.47
Amer. Spec. Sits (z)	44.4	47.3	—	—
South East Asia Trust	24.2	25.8	.....	0.88
Japan Special Sits (z)	27.2	29.0	−0.7	—
Japan Trust (z)	78.1	83.1	−2.6	—
Managed Int. Tst. (z)	72.6	77.3	−0.3	0.49
Max. Inc. Eq. Tst.	50.7	54.0	+0.1	6.78
Special Sits.	83.0	88.4	−0.6	0.62

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	60.6	65.1	.....	1.32
Accum. Units	77.3	83.1	.....	1.32
J. Finlay High Income	49.4	53.1	.....	7.68
Finlay Wld. Energy	16.5	17.7	+0.1	2.53
Accum. Units	22.6	24.3	+0.2	2.55
J. Finlay Fd.In.Tst.	79.8	85.0	.....	2.86
Accum. Units	114.3	122.9	.....	2.86

Prices on December 5. Next dealing December 12.

Robert Fleming & Co Ltd
8, Crosby Square, EC3A 6AN. 01-638 5858

†Am Exempt (3/12)	279.14	285.59	.....	1.97
†Jap Exempt (3/12)	226.33	233.47	.....	1.32
†Am Prop Tst(15/11)		$11,269	.....	7.00
†Prop Tst (25/12)		£2,116	.....	6.00

†Unauthorised.

Hill Samuel Unit Tst. Mgrs.† (a)
45 Beech St, EC2P 2LX. 01-628 8011

(b) British Trust	362.8	385.2	−2.1	3.58
(b) Capital Trust	67.9	72.3	−0.1	3.01
(g) Dollar Trust	143.8	152.2	+1.2	1.88
(g) European Trust	56.1	59.7	−0.1	1.55
(g) Far East	87.7	93.3	−0.8	1.39
(b) Financial Trust	230.5	245.3	−0.2	2.81
(b) Gilt & Fxd Int Inc.	27.8	28.9	.....	10.13
(b) GRF.I.Growth	38.6	40.2	+0.1	3.48
(b) High Yield Tst.	43.2	46.0	+0.3	7.45
(b) Income Trust	53.2	56.6	+0.4	5.84
(g) Int'l Trust	85.9	91.4	+0.1	2.39
(g) Japan Tech Tst.	28.5	30.4	−0.2	0.36
(g) Nat. Resources Tst	32.2	34.3	−0.4	1.89
(b) Security Trust	117.3	124.8	+1.1	3.65
(b) Smaller Cos Tst.	46.1	49.1	+0.1	1.78
(b) Spec. Sits. Tst.	71.5	75.7	+0.6	2.58
Gen Exempt Nov. 15	£275.0	289.0	.....	3.83

L.B.I. Fund Managers Ltd. (a)
54 Pall Mall, SW1 5JH Tel 01-930 4105

L.B.I. Brit. & O'seas	90.0	95.8	+0.3	2.00
L.B.I. High Inc.	48.9	51.5	.....	9.80
L.B.I. Security Gilt	49.6	52.3	.....	3.60

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Equity Funds

GlobalPacFd	$4.60	4.95	−0.01	0.83
UK Growth	158.3	171.2	+0.4	1.76
[illegible] Grwth	$0.80	10.60	....	1.04
Far Eastern	$19.83	21.44	−9.30	0.35
Nth Amer	$7.47	6.08	+0.01	0.11
Gold	$0.70	10.30	+0.03	3.02

Multicurrency Reserve Funds

U.S.$	1.00	—	....	0.07
D-Marks	10.00	—	....	3.98
£ Sterling	1.00	—	....	6.25
Yen	100.0	—	....	6.01

Deposit Fund

SterlDeposit	102.2	102.8	+0.1	0.13

All funds are daily dealings.

Schroder Mngt Services (Jersey) Ltd
PO Box 105, St Helier, Jersey. 0534 27581

Schroder Money Funds Ltd

Sterling	£10.884	....	9.56
U.S.$	$20.6023	....	8.95
Deutschmrks	DM54.3108	....	4.57
Swiss Franc	SF53.0337	....	3.78

J. Henry Schroder Wagg & Co Ltd
120, Cheapside, EC2. 01 382 6000

AmlaNv21	$26.61	—	....	0.40
AsFdNv19	$23.50	24.64	...	3.76
CapsdDec6	$10.07	—	+0.05	6.88
DrlgFdDc7	A$3.41	3.64	−0.05	3.9
JapFdDc6	$10.91	15.17	.	0.22
TrsFdN30	$13.67	10.05	....	—
N&TDec6	$34.05	—	+0.03	—

Schroder Unit Trust Mgrs Int Ltd
Box 273, St Peter Port, Guernsey. 0481 28750

Mgd Cur*	593.5	625.7xd	+0.5	8.39
£ Fxd Int*	624.6	658.9xd	−1.2	7.59
£ Equity*	167.7	179.3	+0.2	2.23
$FxdIntn	$1.071	1.521		8.08
$ Equity*	$1.418	1.516	+0.007	0.66
HK Fd*	$8.010	8.579	−0.034	2.33

Schroder Life Assurance Int Ltd

MgdCrLd	677.7	728.1	....	—
£FxdIntLFd	768.2	844.8	....	—
£EqtyLIFd	179.0	193.1	....	—
$FxdIntLFd	$1.411	1.516	....	—
$EqtyLIFd	$1.471	1.581	....	—
£ModL1Fd	$125.1	135.5	....	—
HK L1 Fd	7.505	8.954	....	—

Prices on Dec 5. Next dealing Dec 12. *Daily dealing

Scrimgeour Kemp-Gee Mngmt Jersey
1, Charing Cross, St Helier, Jersey. 0534 73741

SKG Cap Fd	305.8	315.1nd	....	—
SKG Inc Fd	65.1	67.1ed	....	7.29

Securities Selection Ltd
Bermuda Hse, 31 Peter Port, Guernsey. 0481 26268

Forexfund	$7.59	7.93	....	—

Sentry Assurance International Ltd
PO Box 1770, Hamilton 5, Bermuda 00303
For Funds Prices Phone UK 0908 670505 (24 hrs).

Slager & Friedlander Ldn Agents
21 New St, Bishopsgate, EC7M 4HR.

Wren Commodity Management Ltd
10, St George's St, Douglas, IoM. 0624 25015

Wren Com Fd	12.8	13.3	....	3.10
Chinese Fd	59.9	62.4	....	1.70
PrecMetFd	122.7	127.8	....	8.30
VangCmdyFd	23.5	20.1	−1.6	—
FinFutpresFd	32.4	33.8	....	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.
Dynamic Grth Fd $9.18 .... —

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
The Money Market Trust				
83 Qn Victoria St, EC4N 4ST. 01-230 9952				
Call Fund	0.31	9.50	0mth	Call
7-day Fund	9.57	9.62	6mth	7-day
Oppenheimer Money Management Ltd				
66 Cannon St EC4N 6AE. 01-236 1425				
Call Fund	8.82	0.11	6mth	Call
7-day Fund	9.25	9.40	6mth	7-day
MnyMgAc	8.875	0.175	3mth	Call
Dollar	7.50	7.64	6mth	2-day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY. 01-968 8010				
Treasury Acc	0.375	9.71	Qtr	Call
Mth Int Chq	9.25	9.05	Mth	Call
Bank of Scotland				
38 Threadneedle St, EC2 2EH. 01-826 6060				
Cheque Acc	0.25	0.65	Mth	Call
Barclays Prime Account				
PO Box 125, Northampton. 0604 252891				
High Int Chq	9.25	9.57	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circ EC2M 5DL. 01-555 7777				
Cater Allen	9.25	9.65	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	8.50	0.92	Mth	Call
U.S. Dollar	8.59	9.90	Mth	Call
German Marks	5.0	5.19	Mth	Call
Swiss Franc	2.0	2.05	Mth	Call
Japanese Yen	5.0	0.19	Mth	Call
Cloudsrtons				
30 Ashley Rd, Altrincham Cheshire, WA1 2DW. 061 928 9011				
Cheque Acc	0.75	10.20	Mth	Call
Co-operative Bank				
78-80 Cornhill EC3. 01-626 0543 Ext 46				
Under £1,000	8.00	8.24	Qtr	Call
Over £1,000	10.00	10.38	Qtr	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon, TQ9 6JE. 0803 862271				
MnyMktAcc	8.50	89.64	Qtr	Call
Henderson/Bank of Scotland				
31 Threadneedle St, EC2P. 01-020 0060				
MnyMtChqAc	0.25	9.65	Mth	Call
Lombard North Central plc				
17 Bruton St, W1A 3DH. 01-409 3414				
Notice Dep	8.75	10.12	Rate	14-day
M & G Kleinwort Benson				
91-99 New London Rd, Chelmsford. 0245 51651				
HighIntChqAc	9.30	9.74	Daily	Call
Midland Bank plc				
PO Box 2, Sheffield. 0742 20990 Ext 8730				
High Int Chq	9.50	9.84	Qtr	Call
Save & Prosper/Robert Fleming				
20 Western Rd, Romford, RM1 2LB. 0708 00960				
HighIntMktAc	6.89	9.30	Daily	Call
Premier Acc	8.89	9.30	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	9.28	9.00	Qtr	Call
Money Acc	9.375	9.71	Qtr	Chq
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth. 0705 827733				
Special Acc	9.00	9.38	Mth	Call
Over £10,000	9.25	8.65	Mth	Call

NOTES—Figures, rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. z Previous day's price. ¥ Guernsey gross. ‡ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. :: Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1984 High	1984 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
105⅝	100[illegible]	Treas. 15pc 1985	100[illegible]	–[illegible]	14.86	9.64
102¾	100	Exch. 12pc Cnv. '85	100[illegible]	.....	11.95	9.63
97[illegible]	93[illegible]	Treas 3pc 1985	97[illegible]	+[illegible]	3.09	9.77
102[illegible]	99[illegible]	Treas 11¾pc 1985	101	+[illegible]	11.39	9.65
99[illegible]	96[illegible]	Treas 8¾pcCnv '85	99[illegible]	.....	8.83	9.65
104[illegible]	99[illegible]	Exch. 12¼pc 1985	102[illegible]	.....	11.97	9.76
103[illegible]	99[illegible]	Exch. 11¼pc '86	101[illegible]	.....	11.52	9.91
102[illegible]	96[illegible]	Treas. 10pcCnv 1986	100	–[illegible]	10.00	9.97
93[illegible]	88[illegible]	Treas 3pc 1986	93¼	.....	3.22	8.06
102	96[illegible]	Exch. 10½pc Cv '86	103[illegible]	–[illegible]	10.[illegible]	10.04
104[illegible]	99[illegible]	Treas 12pc 1986	102[illegible]xd	–[illegible]	11.70	10.13
98¼	93[illegible]	Treas 8¼pc 1984-86‡‡	97[illegible]xd	–[illegible]	8.68	10.00
108[illegible]	102[illegible]	Exch. 14pc 1986	106[illegible]	–[illegible]	13.18	10.27
89[illegible]	85	Exch. 2½pc 1986	89[illegible]	+[illegible]	2.81	8.80
107[illegible]	100[illegible]	Exch. 13¼pc 1987	105¼	–[illegible]	12.60	10.43
100[illegible]	94½	Treas 10¼pcCv '87	99[illegible]	–[illegible]	10.30	10.42
87¼	83[illegible]	Exch 2½pc 1987	87[illegible]	–[illegible]	2.85	8.77
101[illegible]	94½	Exch. 10½pc 1987	100[illegible]	–[illegible]	10.49	10.41
92¼	87	Funding 6½pc '85-87‡‡	92[illegible]	–[illegible]	7.02	10.05
99[illegible]	92[illegible]	Treas. 10pc 1987	99[illegible]	–[illegible]	10.10	10.47
86[illegible]	81[illegible]	Treas 3pc 1987	86[illegible]	+[illegible]	3.47	9.00
105	97¼	Treas. 12pc 1987	103[illegible]	–[illegible]	11.59	10.55
94[illegible]	87[illegible]	Treas. 7¾pc 1985-88‡‡	93¼	–[illegible]	8.31	10.30
100¼	92[illegible]	Exch 10½pc '88	99[illegible]	–[illegible]	10.51	10.55
98[illegible]	89[illegible]	Treas 9½pc Cv '88	97[illegible]xd	–[illegible]	10.01	10.67
82¼	77	Transport 3pc '78-88	82¼xd	.....	3.65	8.99
96[illegible]	88[illegible]	Treas. 9½pc '88	96[illegible]	–[illegible]	9.89	10.75
106¼	94[illegible]	Treas 11½pc 1989	102[illegible]	–[illegible]	11.26	10.82

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

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HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الاصل

هكذا من الأصل

INDUSTRIALS—Continued

1984 High	1984 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
30	20	Martin-Black	22	......	—	—	—	—
£100	£87	Mathesons 7¼%	£89	......	Q7¼%	2.3	19.0	—
378	287	Metal Box £1	354	......	†15.0	3.2	6.1	5.7
220	129	Metal Closures	152	......	6.3	2.3	5.9	(8.4)
27	12	Metal Sciences 2½p	18	–1	—	—	—	—
19	8	Metamec Jentique	8½	......	0.01	—	—	—
133	83	Midland Marts	90	......	4.0	1.8	6.3	11.4
78	45	Mitchell Cotts	67	......	4.0	1.5	8.5	9.5
29	13	Molins Grp 1p	25	......	†0.5	2.3	4.8	(9.5)
192	132	Morgan Crucible	178	–2	†7.5	1.2	6.0	(18.0)
18½	13½	Morris (W) Fine Arts	14	–¼	bq0.25	4.0	2.6	12.8
118	80	Moss (Robt.) 10p	100	......	†2.5	2.3	3.6	14.5
330	197	MWW Computers	290	......	6.0	3.0	5.8	16.2
65	40	Nash Inds.	40	......	4.0	2.2	14.3	4.6
47	30	Neil & Spencer 10p	29	......	—	—	—	16.8
33	15	Newman Industries	21	......	—	—	—	(11.8)
31	16½	Do. 10pc Cn.Cnv.Pf.	20	......	10%	—	7.1	—
67	39	Nolton	41	......	g1.1	4.5	3.8	6.9
188	132	Norcros	182	+2	7.5	2.4	5.9	9.6
86	55	Nu-Swift 5p	57	......	†2.4	3.2	6.0	7.4
100	50	Oakwood Grp	78	......	†6.5	—	‡	—
190	135	Office & Elect	135	......	5.24	4.2	5.6	6.2
207	92	Oldacre 20p	187	......	u4.0	2.6	5.3	9.5
875	650	Orflame Intl SA	650	......	†053c	2.2	6.8	6.7
46	20	Ovenstone 12½c	20	......	†04.5c	2.2	‡	4.6
£154½	£120	Ozalid 9pc Cnv 87-92	£154	......	Q9%	—	(5.9	—
190	115	PCT Grp 10p	115	......	g4.8	2.9	5.8	7.0
£12½	975	PLM 'B' Sk 25	£11¼	......	Q20%	3.2	4.1	7.6
62	40	Pacific Sales 10p	55	......	b2.4	2.2	6.2	(8.3)
207	148	Parker Knoll 'A'	165	–1	9.0	2.8	7.8	6.5

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

1984 High	1984 Low	Stock	Price	+ or –
46	9	Nimslo Int 20c	18	+1
31½	24½	Owners Abroad	27½	–½
66	33	Photax (Lon.)	46	......
29½	20	P'dilly Radio NV 5p	24	......
130	57	Pineapple Dnc St 10p	57	–6
420	285	Pleasurama 5p	385	......
17½	10½	Pres Entertain 10p	17	......
158	62	Radio City 'A' NV	65	......
70	50	Radio Clyde N/V	55	......
148	30	Riley Leisure 10p	37	–1
140	94	Saga Hols. 20p	138	......
535	145	Samuelson Grp £1	530	+10
27½	18	Sangers Photo 10p	25	......
150	138	Scamro 50p	138	......
190	98	Scott. TV 'A' 10p	164	......
413	186	SeaCo Inc $0.125	311	+10
35	11	SelecTV 10p	11	......
145	122	Spectrum 5p	138	......
37	24	TSW 5p	32½	......
157	79	TVS N/Vtg 10p	133	......
142½	102½	Television Svcs 50p	127	......
90	60	Tottenham Hotspur	73	+1
169	120	Trid'nt TV 'A' 10p	169	+9
173	100	21st Century Dist	146	......
197	135	Tyne Tees TV 'A' £1	166	......
101	53½	Ulster TV N/V 'A'	96	......
28	17	Webb (Jos.) 5p	23	......
98	88	Zetters 5p	91	......

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

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PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

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Investment Trusts

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[illegible]

Finance, Land, etc

[illegible]

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OVERSEAS TRADERS

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[illegible]

MINES

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[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1984 High	1984 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
280	145	Falcon Z50c	150	......	Q100c	♦	38.9
17	8	Wankie Col. Z$1	9½	......	—	—	—
21	14	Zam.Cpr.SBD0.24	14½	......	—	—	—

Australians

1984 High	1984 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
55	23	ACM 50c	52	+1	—	—	—
38	17	Allstate Expl'n. NL	30	......	—	—	—
10½	3½	Asia Oil & Minerals	[illegible]	......	—	—	—
20	12	Aust. Hydrocarbon NL	19	......	—	—	—
28	13½	Australis Mng N.L.	13½	......	—	—	—
45	15	Balmoral Res	18	+½	—	—	—
36	18	Black Hill Mins	20	......	—	—	—
86	51½	Bond Corp	83	+2	[illegible]	♦	5.9
177	90	Bougainville 1 Kina	115	......	[illegible]	1.2	[illegible]
406	276	CRA $2	350	+2	[illegible]	1.5	2.4
86	44	Carr Boyd 20c	62	+2	—	—	—
40	18	Central Kalgoorlie	22	......	—	—	—
43	20	Central Pacific	32	......	—	—	—
6	2½	Cons Gld Mg Areas NL	6	......	—	—	—
8½	4¼	Coopert Res. NL	6	......	—	—	—
26	8½	Cultus Pac NL	8½	–½	—	—	—

[illegible]

Tins

[illegible]

Miscellaneous

1984 High	1984 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
175	80	Colby Res Corp	65	......	—	—	—
955	550	Cons. Murch. 10c	615	......	†Q100c	1.4	6.5
36	25	Ennex Int. Ir20p	32	......	—	—	—
252	157	Hampton Areas 20p	160	+3	3.75	2.1	3.1
225	140	Highwood Res.	325	......	—	—	—
£24½	£16	Homestake Mining $1	£19⅞	–⅛	Q20c	—	0.5
295	135	McFinley Red Lake	249	......	—	—	—
240	101	Musto Explorations	195	......	—	—	—
55	23	New Sabina Res C$1	30	......	—	—	—
365	220	Northgate C$1	275	–5	—	—	—
728	500	RTZ	630	+3	18.0	2.7	4.3
£155½	£113½	Do. 9½pcLn '95-2000	£132½	+½	Q9½%	35.4	0.1
£11¼	850	Tara Expln $1	922	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- ■+ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –	Stock	Price	+ or –
Albany Inv 20p	86	......	Arnott	250	......
Craig & Rose £1	£11xd	......	CPI Hldgs	54	......
Finlay Pkg. 5p	42	......	Carrol Inds.	120	......
Higsons Brew	83xd	......	Dublin Gas	65	......
Holt (Jos) 25p	890	......	Hall (R. & H.)	40	......
IoM Stm. £1	105	......	Heiton Hldgs.	15	......
IRISH			Irish Ropes	33	......
Exch. 12% 1985	£98¾	......	Jacob (W.& R.)	65	......
Nat. 9¾% 84/89	£82½	......	TMG	67	......
Fin. 13% 97/02	£96	......	Unidare	80	......

OPTIONS — 3-month call rates

Stock	p	Stock	p	Stock	p
Industrials		Hanson Tst.	22	Vickers	18
Allied-Lyons	25	Hawker Sidd	39		
BAT	10	Hse of Fraser	28	**Property**	
BOC Grp.	24	ICI	50	Brit Land	14
BSR	15	'Imps'	14	Cap Counties	18
Babcock	13	Jaguar	13	Land Secs	24
Barclays Bank	42	Ladbroke	28	MEPC	30
Beecham	30	Legal & Gen	42	Peachey	24
Blue Circle	46	Lex Service	32	Samuel Props	14
Boots	18	Lloyds Bank	42	Sterling Guar.	5½
Bowaters	16	Lucas Inds	24		
Brit Aerospace	34	Marks & Spcr	18	**Oils**	
Brit. Telecom	7½	Midland Bk.	35	Brit. Oil & Min	4½
Brown (J.)	3	NEI	9	Brit Petroleum	38
Burton Ord	32	Nat West Bk	55	Burmah Oil	19
Cadburys	14	P & O Dfd	24	Charterhall	6
Comm Union	15	Plessey	20	Premier	6
Courtaulds	11	Polly Peck	10	Shell	55
Debenhams	19	Racal Elect	24	Tricentrol	22
Distillers	24	RHM	13	Ultramar	22
Dunlop	5	Rank Org Ord	24		
FNFC	7	Reed Intnl.	50	**Mines**	
Gen Accident	42	Sears	7	Charter Cons	21
Gen Electric	20	TI	28	Cons Gold	42
Glaxo	90	Tesco	8	Lonrho	14
Grand Met	26	Thorn EMI	42	Rio T Zinc	60
GUS 'A'	55	Trust Houses	12		
Guardian	58	Turner Newall	9		
GKN	16	Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FINANCIAL TIMES
Saturday December 8 1984

MAN IN THE NEWS

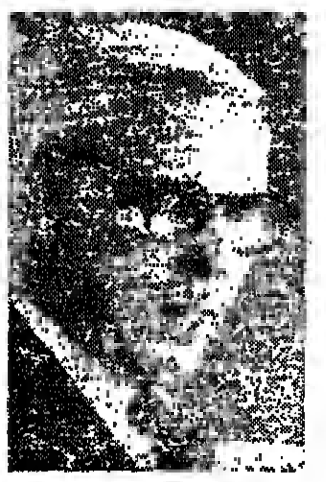
A chemist copes with disaster

BY TERRY DODSWORTH

AT 63, most company chairmen can sit hack and enjoy the fruits of their lahours. Mr Warren Anderson of Union Carbide faces the biggest crisis of his career.

He has decided to tackle the catastrophe caused by Union Carbide's poison gas leak in Bhopal head on, *flying* out to the disaster area in a move that has apparently not heen entirely supported by his own top management. The risks in the atrategy, both corporate and personal, were amply demonstrated when he was briefly placed under house arrest yesterday by the Indian authorities.

Up to now, Mr Anderson, a Brooklyn-born chemist, who has spent all his working life with the company, has rarely heen exposed to the limelight. Union Carbide, third largest U.S. cbemicals group, is the sort of modestly-performing company whose enormous size (sales of $9bn last year) can be relied upon in normal times to protect



Mr Warren Anderson

it sufficiently both from swings in the economy and Wall Street predators. Sprawling over a range of activities, from chemicals to carbon, specialised metals and consumer products like Eveready batteries, it was once cruelly dubbed by Wall Street as "the chemical company that's always turning round."

Mr Anderson, a tall, spare, former American football player is generally attributed with having done more than most to achieve something of a redirection in recent years. While not even his friends describe him as especially dynamic, he has had to face the impact of the second oil price crisis and the Reagan recession in his years both as president and, since 1981, chairman of the group.

His response to those problems was to batten down the hatches, throw unnecessary businesses overboard — petrochemicals plants, in particular, were closed both in the U.S. and overseas and set sail for specialised growth areas. He looked as though he would leave the company as the man who had established the group on a new course worldwide.

Then on Monday Bhopal struck. Since the news of the tragedy began to clatter over the wires in the early hours, Union Carbide has been fighting desperately to get to grips with a catastrophe which every moment has seemed to be spinning a little further out of control.

Its communications with India virtually broke down for a while —the company complained wearily at one point that the press knew far more about the situtation than its own officers —and when the New York financial press likened the disaster to Manville's asbestos-releted health problems, its stock went into a tailspin.

Colleagues see Mr Anderson's dramatic action in choosing to go to India as the "brave" move of a man who likes to be personally involved in the big decisions. Within the group he is known as a team player with lots of charm and a desire to improve the company's unco-tarnished image.

Mr Anderson is partly credited with cleaning up the company's public face. In the early 1970 Union Carbide was virtually regarded as environmental enemy number one. Environmentalists hammered the company, describing its iron alloy plant in West Virginia as tha "smokiest factory in the world." For some time the company baulked at public pressure to clean up its act, and was described by Fortune Magazine as "a reactionary ogre obsessed with profits."

Since then, Union Carbide has changed its spots. Today, the U.S. chemicals industry regards the group as almost a model community-sensitive company, with one of the best safety records in the country.

Tax fears bring flood of early retirement inquiries

BY SUE CAMERON AND ERIC SHORT

MANAGERS in industry, Whitehall, the police and the armed servicea are becoming increasingly alarmed about the effects of speculation that the Government may tax lump sum retirement benefits in the next Budget.

There appears to be a growing number of requests from older people to beat the Budget by taking early retirement, while pension fund managers, trade union officials and executives in the public and private sectors are facing a flood of inquiries on the effects of lump sum taxation.

In the Commons the revolt by backbench MPs to forestall government action on the issue is growing rapidly.

An Early Day Motion put down by Mr Robert Jackson, (Con, Wantage), which sayst hat changes to the tax system devaluing lump sum payments at retirement would be unacceptable, has ettracted 99 signatures in less than three weeks.

At Unilever, some staff have accelerated their retirements while the Police Superintendants Association of England and Wales has seen a similar surge.

Senior military men are said to be alarmed at reaction to this piece of Budget speculation in the armed services and are thought to be lobbying hard against it behid the scenes. Civil Service unions say they are getting their biggest-ever postbags on the subject.

Last night Mr John Ward, general secretary of the 8,000-string Civil Servants' First Division Association, said: "The root of the problem is that the Government is treating the whole matter as a strictly Budget issue, which means there can be no consultation or discussion about it until the moment the Chancellor stands up and announces it is going to happen—assuming be does.

"Civil servants who have served their full 40 years only get half their final salaries as pension—whereas some other groups get wto thirds as pension. But civil servants get bigger lump sums than some other employees."

For this reson, civil servants might prefer to have bigger pensions and smaller lump sums if the latter were to be taxed, particulraly as their pensions were withheld, be said.

"The taxing of lump sums would also be most unfair on those now approaching retirement — people who have been doing their planning on the basis that they would receive a certain amount of money. There needs to be discussion of transitional arrangements.

"The whole thing is not only unsettling for staff, for our members, but also for civil service managers. Quite frankly managers at the moment are being forced to spend half their time worrying about retirement benefits instead of getting on with their proper jobs."

Proposals to reform bank clearing expected

By David Lascelles, Banking Correspondent

PROPOSALS FOR an overhaul of the *UK bank clearing system,* including the admission of banks, are expected to be announced next week.

The Bankers' Clearing House on Tuesday will present the results of a 10-month inquiry into the nerve centre of the British bank industry, which handles billions of cheques and payments.

Its main recommendation is likely to he that the clearing system should be opened to a wider membership. This would pave the way for the admission of Citibank of the U.S., the first foreign bank to apply to join, the Standard Chartered of the UK, which also wants to become a member.

Citibank has the largest foreign banking presence in the UK and sees clearing status as e way of streogthening its British business and influencing banking policy. Standard Chartered wants to become a stronger force in the UK bank market, though much of its business is overseas.

The system comprises the six members of the Committae of London Clearing Bankers (Barclays, Lloyds, Midland, National Westminster, Coutts and Williams & Glyn's) with the Bank of England, the Central Trustee Savings Bank, the Co-op Bank and the National Girobank actiog as "functional members."

These banks act as clearing agents for all other banks in England and Wales. Scotland has its own clearing house in Edinburgh.

The recommendation on wider membership will be made partly *in response to criticism* that the clearing system is unnecessarily restrictive (a charge which the banks deny). It will also take account of the huge changes in UK banking because of new technology and the rising importance of financial institutions such as building *societies.*

Mr Denis Child, the NatWest official who beaded the inquiry, bas *promised* a *wide-ranging* report and it is likely to cover issues such as cashless shopping

Maxwell denies owning Mirror

BY DUNCAN CAMPBELL-SMITH

MR ROBERT MAXWELL has distinguished more clearly than ever before between his role as publisher of the Daily Mirror and the proprietorship of the newspaper. He is not, it would appear, its owner after all.

Mr Maxwell is chairman and chief executive of Pergamon Press, which acquired Mirror Group Newspapers from Reed International in July. Pergamon itself is owned by a strictly private foundation in Liechtenstein, which bas generally been assumed to lie under Mr Maxwell's control. This he has now denied.

His comments on the ultimate ownership of the Daily Mirror and the rest of the Pergamon empire come in response to questions raised hy the board of John Waddington, the packaging and games group. British Printing and Communication Corporation, which is 61 per cent owned by Pergamon, is hidding £43.5m for Waddington.

Advised by merchant bank Kleinwort Benson, Waddington published e defence document on Tuesday which puts a question mark over the beneficial ownership of the Liechtenstein entity. "That is not a mater for me to disclose," said Mr Maxwell in response. "I am not a proprietor, I am a publisher."

Mr Lindsay Smith, a director of merchant bank Henry Ansbacher, which has advised Mr Maxwell on his corporate affairs for about 30 years, said: "It would be wrong to assume that Mr Maxwell controls Pergamon Holdiog Foundation (of Liechtenstein)." But he added that Henry Ansbacher was making no assumptions at all. "We do know who the owners are and we as his merchant bank are satisfied."

Liechtenstein foundations are commonly used by corporate proprietors seeking anonymity end conspicuous tax advantages. But Mr Maxwell was also emphatic that neither be nor any membera of his immediate family stood to gain financially by the elaborate structure of Pergamon's ownership.

The only identifiable individual connected with the *Liechtenstein* apex is the resident lawyer responsible for administering the foundation's affairs.

Mr Victor Watson, chairman of John Waddington, has insisted that the ownership issue is relevant to his company's future. "Here are the Waddington employees under the threat of being taken over by someone they cannot identify," said Mr Watson. "We have a moral as well as a legal obligation to our employees—and there are some shareholders who agree with the directors that this obligation should be stuck by."

"Ownership is a separate issue," Page 20

Proposals for EMS are unrealistic, says Pohl

BY JONATHAN CARR IN FRANKFURT

HERR CARL OTTO POHL, president of the West German Bundesbank, yesterday attacked sharply those who "waste energy on unrealistic visions" for developing the European Monetary System.

He said in Bonn that the Bundesbank, the eWst eGrman central bank, would continue to work constructively and loyally to improve the working of the system as it stood.

The bank supported a package of measures for widening the use of the European Currency Unit among central banks.

He regretted that one system country (known to be Belgium), had not accepted one key element of tha package involving higher interest rates on Ecu reserve holdings. He also urged Britain to become a full member of the system.

Herr Pohl said that the Bundesbank felt that many ideas publicly aired recently for developing the system were putting the cart before the horse. Schemes he opposed were:

● Boosting the credit facilities of the European Monetary Co-operation Fund and giving it iaa own staff. That would increase EEC bureaucracy and more credit was not needed anyway.

● Creating an Ecu coin—"superfluous" and legally and monetarily impossible.

● Allowing Ecu-denominated bank accounts in West Germany. There was little demand for such accounts, be said.

Much more important than those ideas was the removal of capital controls throughout the EEC. He also called on Italy to renounce its specially wide fluctuation band for the lira within the system exchange rate mechanism.

Plan of action, Page 2

Miners Continued from Page 1

Young McClelland Moores, the City chartered accountants, as receiver and manager of the NUM's "income, assets, property and effects," in place of Mr Herbert Brewer, the Derbyshire solicitor.

Mr Brewer bad told the court on Thursday that be was unwilling to continue with the task of securing control of the union's assets.

After his appointment Mr Arnold gave an impromptu Pres conference—appropriately on the Carey Street steps of the Law Courts.

"The receivership of the NUM's now widely-dispersed assets is going to be a complex and time-consuming task," be said.

He would be consulting colleagues and lawyers, in England and overseas, to decide the most appropriate action.

Mr Arnold would not say when be would be going to Luxembourg, where £4.63m of NUM funds in dollar bearer bonds are lodged in Nobis-Finanz International, or Dublin, where the Bank of Ireland Finance is holding $2.78m frozen by the Irish High Court.

On Monday afternoon a Luxembourg court is due to hear an application by the sequestrators—four partners in Price Waterhouse—for the appointment of a judicial sequestrator to hold the £4.63m pending the court's decision on who is entitled to the funds.

This weekend, the sequestrators and their lawyers will decide whether to ask for an adiournment to give Mr Arnold time to consider what action to take in Luxembourg.

Carbide Continued from Page 1

ment *plans* to sue Union Carbide on charges of installing defective systems in the factory at *Bhopal.* A legal committee is examining whether the company can he sued individually or collectively on behalf of the victims.

Lisa Wood writes: A leak of toxic chemicals occurred in 1979 at the Ciba-Geigy plant near Grimsby, which uses methyl isocynate from Union Carbide. The plant is reviewing its use of the chemical.

The Health and Safety Executive aaid yesterday that it bad investigated the incident in February 1979 during which hydrogen bromide, the occupational exposure limit for which is 50 times that of methylisocy-*nate,* was released into the atmosphere.

A safety device on a reactor vessel burst and a cloud of the gas passed over an adjacent factory. No one was injured or evacuated.

Recommenadtions made by the executive after the incideot had been implemented. They included the extension of vents so that any escaping gases would be pushed further into the atmosphere.

The plant is regarded as having a high standard of safety awareness. Similar incidents to that which occurred in 1979 are believed to happen throughout the industry every year.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
AE	109	+ 7	Harrisons Mly Plnts	127	+ 17
Acorn Computer	74	+ 13	Hartwells	89	+ 7
BICC	253	+ 13	Imperial Group	177	+ 9
BTR	550	+ 15	Int Signal Control	294	+ 6
Bass	452	+ 17	Ladbroke	241	+ 6
Beecham	385	+ 15	Longton Inds	76	+ 7
Blue Circle Inds	468	+ 13	Marley	96	+ 6
BET Dfd	306	+ 11	Phoenix Timber	134	+ 10
British Telecom	92½	+ 4½	Rowntree Mckntsh	374	+ 14
Butterfield-Harvey	15	+ 3	Sun Life	717	+ 20
Checkpoint Europe	223	+ 38	Trident TV A	170	+ 10
Distillers	308	+ 9	UBM	156	+ 5
Equity & Law Life	245	+ 13	Vickers	203	+ 8
GUS A	656	+ 23	FALLS		
Hanson Trust	290	+ 12	Exch 12pc 13-17	£120½	− ½
			LASMO	340	− 10

WORLDWIDE WEATHER

UK today: Dry with bright intervals in south-east and central England. Elsewhere, cloudy with some rain.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	16	61	Corfu	S	15	59	Luxmbg.	C	5	41	Peking	F	2	36
Algiers	S	19	66	Dallas	—	—	—	Madeira	C	17	63	Perth	F	21	70
Amsdm.	S	6	43	Dublin	C	11	52	Madrid	C	10	50	Prague	F	4	39
Athens	6	13	56	Dbrvnk.	S	15	59	Majorca	F	16	61	Rykjvk.	S	0	32
Bahrain	C	22	72	Ednbgh.	R	11	52	Malaga	F	17	63	Rhodes	S	16	61
Barclns.	—	—	—	Faro	C	15	59	Malta	C	17	63	Rio J'o.†	—	—	—
Beirut	S	15	59	Florence	S	12	54	M'chstr.	F	11	52	Rome	S	13	55
Belfast	C	11	52	Frankft.	C	5	41	Melbne.	S	21	70	Salzbrg.	F	3	37
Belgrd.	C	0	32	Geneva	C	6	41	Mx. C.†	—	—	—	S'cisco.†	C	7	45
Berlin	F	7	45	Gibrltr.	F	13	31	Miami†	S	8	46	Singspr.	R	28	82
Biarritz	S	13	55	Glsg'w	R	10	50	Milan	C	4	39	S'tiago.†	—	—	—
Bmghm.	S	10	50	G'rnsey.	S	10	50	Montrl.†	F	−11	12	Stckhm.	F	5	41
Blackpl.	F	11	52	Helsinki	Sl	0	32	Moscow	C	−7	19	Strsbg.	C	7	45
Bombay	S	31	88	H. Kong	F	21	70	Munich	F	3	37	Sydney	C	19	66
Bordx.	C	10	50	Innsbrk.	S	4	39	Nairobi	F	26	79	Tangier	F	18	64
Boulgn.	S	9	48	Invrnss.	R	11	52	Naples	S	13	55	Tel Aviv	S	15	59
Bristol	F	12	54	I.o.Man	F	11	52	Nassau	—	—	—	Tenerife	C	19	66
Brussels	S	6	43	Istanbul	F	8	46	Nwcstl.	C	11	52	Tokyo	S	9	48
Budpst.	C	0	32	Jersey	F	8	46	N Delhi	S	23	73	Tr'ntot	C	−11	12
Cairo	S	17	63	Jo'burg.	F	23	73	N York†	C	−1	30	Tunis	—	—	—
Cardiff	C	10	50	L. Pims.	C	20	68	Nice	S	15	59	Valencia	R	12	54
Cape T.	S	20	68	Lisbon	C	13	55	Nicosia	S	17	63	Venice	S	6	43
Chicg.†	F	−11	12	Locarno	S	8	46	Oporto	S	14	57	Vienna	C	0	32
Cologne	S	5	41	London	S	11	52	Oslo	F	2	36	Warsaw	C	4	39
Cpnhgn.	F	7	45	L. Ang.†	F	16	61	Paris	Fg	2	36	Zurich	C	1	34

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Stansted Continued from Page 1

made clear its preference for Stansted, while the British Airports Authority believes that no other solution would be acceptable or feasible.

Most airlines, led by British Airways, however, argue in favour of Terminal Five, and bave fiercely rejected the idea of Stansted, which they claim would add significantly to their costs.

From the Government sida, Mr Nicholas Ridley, the Transport Secretary, suggested in Manchester yestesrday that be was concerned to ensure that provinical airports also received ao fair share of available resources for future development.

Parliamentary discontent surfaced just over a fortnight ago in a major backbench revolt over the Civil Aviation Bill, which seeks to limit the number of aircraft movements in and out of Heathrow.

Critics said that the limit meant the Government had decided to develop Stansted—which has been denied by Ministers, while Tory MPs from the north believe that a limit on flights at Heethrow could barm regional airports which depend on flights into London for much of their business.

Consequently 15 Tory MPs voted against the Second Reading of the Bill, and roughly 20 ebstained, with may more making clear their worries.

The Tory Whips fear thet major amendments to the Bill may be successful passed in its later stages in the Commons as part of the wider opposition to Stansted, although this would separate from any vote on the specific proposals on Stansted.

THE LEX COLUMN

Phoney war in the market

British Telecom has had the floor almost to itself all week. After Monday's spectacular start a few brave souls ventured to suggest that other equity investments might merit attention, but their calls fell largely on deaf ears. For most of the week London has behaved like a one-share market.

Successful subscribers stand to realise a profit of around 85 per cent on their partly-paid investment even before the letters of allotment and on the door-mat. Newcomers to the equity market must regard the London Stock Exchange as one of the wonders of the world and even the bard-nosed investors of Wall Street appear dazzled by its profit-making powers. By yesterday evening, the great majority of the shares allotted to overseas investors had returned to London, *yielding* a profit to New York, Toronto and Tokyo of £100m or more.

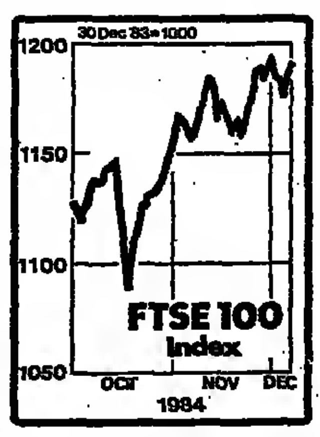
Next week a host of *retail* investors in the UK wil be tempted to follow the overseas example. The iostitutions, still seriously underweight in Telecom, are pinning their bopes on a *flurry* of retail profit-taking once the allotment letters are delivered. But, to judge from the *flow* of dealings yesterday afternoon, those hopes could easily be confounded.

Over the past two days the jobbers bave been trying to mark down Telecom stock in the expectation that the sight of vanishing profits would encourage retail investors to sell. Quite the opposite seems to have happened. Institutions, dismayed by the retail response, have been topping up their holdings aod keeping the Telecom pric within shouting distance of tho premium in early dealings. As a result, the jobbers—and a few over-enthusiastic U.S. traders—are now rather short of stock and will need to see a decent supply of paper next week just in order to set their books straight.

So the private investor is sitting pretty. Even at 92½p British Telecom does not look overvalued on fundamental grounds; the yield is roughly a third above the FT Industrial Group average and the earnings multiple is by no means out of line for e group which should register profits growth of at least 15 per cent a year for the foreseeable future. And, so long as the institutions remain short of Telecom equity, there will be willing takers of the retail paper.

All this must be very galling for hte actuaries. Even after the Telecom call, the institutions have comfortable cash balances and neither the Dixons take-over of Currys nor the GEC share buy-in will bave done any harm to their liquidity ratios. The market as e whole looks in buoyant form, helped this week by sparkling figures from Bass, Hanson Trust and others. So, in theory, Telecom looks an excellent buying opportunity. Some private investors will no doubt succumb to temptation next week and sell out. But a few others may find investing in equities an attractive pasttime and promptly reinvest the proceeds from their returned cheques in the very shares which the institutions are so anxious to acquire.

Index rose 14.6 to 923.0



Management buy-outs

The decision by Candover Investments, the specialist in management buy-outs, to seek e Stock Exchange listing was prompted more by a bunching of capital gains liability than by a visionary belief in a new share-owning manageocracy. Still Candover, and ICFC at the somewhat cheaper end, clearly think that UK buy-outs will plod along behind the U.S. experience without succumbing to excess. However, the nature of the game is changing.

Candover started up in 1980 when cash pressures on companies made it attractive to dispose of holdings they had diversified into: in one case, Stone International, the buy-out was negotiated with the receiver and is now capitalised in the market et £42m. This year, the number of UK buy-outs is down about a quarter and the pressure as often or not comes from a more aware management. The result has been that the price extracted from vendors is et a smaller discount to net assets. Failures may be as low as e fifth since the term management buy-out became current in 1977, which suggests managers really do perform better for themselves than for shareholders. But debt/equity ratios after the buy-out typically of 40-50 per cent will cost them sleep if the market turns down.

The secret for Candover and its institutional backers must be to go on finding cosy subsidiaries, with established products, low development costs and decent cash-flow. There should be no great shortage of these, even in a period of recovery, as industrial holding groups sort out their sense of direction. Nobody seems ready or able to imitate the huge deals (and debt ratios) of the U.S., where Candover has only e small toe in the water; but the £40m raised for William Timpson is certainly not an upper limit.

Prized analysts

The Continental Illinois survey of research analysts has proved such a resounding—if nail-biting—success that an imitator was bound to follow sooner or later. Yesterday, Chase Manhattan and the Association of Corporate Treasurers duly announced their own City Oscars with finance directors taking the place of institutions on the panel of judges.

On the face of it, asking finance directors to pass judgement on analysts is an attractive idea. They should, after all, be as well equipped as anyone to assess the accuracy of a report on their company. But they cannot be expected to be wholly objective in valuing investment recommendations. It would not be surprising, for example, if the more bullish analysts emerged with higher marks than the bears.

The response rate was disappointingly low overall and, in the majority of sectors, so low that no awards could be made. No decision has yet been taken on whether to repeat the experiment, although it would not be surprising to see Chase bow out. The bank now has two London stockbroking associates of its own, neither of which featured in any category of yesterday's awards.